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**Engaging with austerity
austerity management, discourse and the regimes of engagement**

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Engaging with austerity: austerity
management, discourse and the
regimes of engagement

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Thesis submitted for a PhD in Public Management and Organisation
Studies

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List of abbreviations

Abbreviation	Meaning
CCG	Clinical Commissioning Group
CDA	Critical Discourse Analysis
CIP	Cost Improvement Plan (or Programme)
DH	Department of Health, later the Department of Health and Social Care
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECB	European Central Bank
EW	Economies of worth
FYE	Full-year effect
GDP	Gross Domestic Product
GP	General Practitioner
HMRC	Her Majesty's Revenue and Customs
NHS	National Health Service
NHSI	NHS Improvement
NPM	New public management
NR	Non-recurrent
OCP	Outline Change Plan
ODS	Organizational Discourse Studies
OECD	Organisation for Economic Co-operation and Development
PCT	Primary Care Trust
PMO	Programme Management Office
QIA	Quality Impact Assessment
QIPP	Quality, Innovation, Productivity and Prevention programme
QIPPs	Individual savings sought within QIPP
RE	Regimes of engagement
RoI	Return on Investment
SOP	Standard Operating Procedure
SPC	Statistical process control
STF	Sustainability and Transformation Fund
STP	Sustainability and Transformation Plan/Partnership
WOS	Wholly owned subsidiary
SLR	Service Line Reporting

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Abstract

Austerity is among contemporary public management's defining features. Austerity management research traditionally focuses on the contents of budgetary changes and organisations' broad strategies. While valuable, this high-level strategic lens comes at the expense of accounting for the austere situation's turbulence and the grounded practices through which austerity is managed.

Consequently, this thesis reconceptualises austerity management through Thévenot's *regimes of engagement* (RE). This pragmatist lens better conceptualises actors' situated dilemmas and consequent practices. Thévenot's approach particularly suits austere environments, whose scarcity surfaces public organisations' latent inter-goal conflicts: RE differentiates modes of action by the different *goods* people seek.

To capture the national and organisational debate in whose context public managers operate, RE was combined with Critical Discourse Analysis. The resultant study focuses on a sector in which austerity management research is overdue: UK healthcare. It combines a case study of national policy with three organisational cases. Observations, interviews and documents are analysed discursively, processually and pragmatically.

The resultant findings enable three theoretical contributions. The first emphasises the linguistic *situating work* we do to establish the nature of *situations* we encounter. It particularly emphasises its importance in shaping the national austerity situation. The second highlights an annual cycle of instability as organisations' emphasis shifts between reporting acceptable financial plans and making those often highly optimistic numbers real. The third demonstrates that austerity destabilises the very coordination devices which people deploy to manage it.

Together, these contributions conceptualise austerity management as a set of responses to a situation. It notes how austerity's evaluative and situational instability undermine traditional ways of coordinating work despite uncertainty. This recasts austerity management as not only a set of financial choices but also a search for coordination. Such an approach is needed to do justice to the messy realities of austerity which public managers know so well.

Part 1 – Introduction

Chapter 1: Introduction

Austerity and public administration

If the public services of the 1980s were defined by New Public Management (NPM; Ferlie et al., 1996; Hood, 1991) and the turn of the Twentieth Century by ‘digital’ or ‘network’ governance (Dunleavy et al., 2006; Newman, 2001), public administration since 2008 has been characterised by austerity. ‘Austerity’ denotes a policy of sustained financial contraction through spending cuts pursued by governments across Europe since 2008. While it lacks its predecessors’ conceptual distinctiveness, austerity has had a similarly profound impact on public organisations’ resources (Hastings, Bailey, Bramley, et al., 2015; Lafond et al., 2016), staff (Bach, 2016; Lewis et al., 2017), structure and culture (Lodge and Hood, 2012; Pollitt, 2010). Understanding contemporary public organisations means understanding organisations under austerity.

Austerity represents an enormous financial challenge to European public sectors. Following a major banking crisis in 2007-08, governments spent extensively securing financial systems, precipitating substantial budgetary problems (Blyth, 2013; Morgan et al., 2011).

Characteristically, they responded with public service spending contractions (Schäfer and Streeck, 2013). Yet while public organisations faced extreme pressure to reduce spending, it was often politically unacceptable to reduce service standards (Clarke and Newman, 2012; Pollitt, 2013). Simultaneously, the wider impacts of public sector contraction frequently increased need (Karanikolos et al., 2013, 2016). Austerity’s direct and indirect impacts made life extremely difficult for public organisations.

Unsurprisingly, these imperatives precipitated significant organisational changes. Some quantitatively reduced divisional budgets (Hastings et al., 2013), others altered their structures and functions (Shaw, 2012). Others still attempted to resist changes (Dommett and Skelcher, 2014). All this could involve significant macro-level strategic shifts (Cepiku et al., 2016); but also entailed ground-level ingenuity in staff’s ideas and practices (Lowndes and McCaughie, 2013). Austerity wrought profound changes in what organisations did and how.

These changes pervaded organisations. While approaches varied across states and organisations (Lodge and Hood, 2012), they shaped the volume and nature of staff’s work (Bach, 2016). They prompted restructures, including the abolition of services (Z. Morris, 2016) and invention of others (Hastings, Bailey, Bramley, et al., 2015). Perhaps most importantly,

they shifted organisations' tone and valence. NPM's cost-cutting ethos and the 'transformational' ambitions of 'digital era governance' remained but in much more pessimistic mode (Clarke and Newman, 2010). Where they might once have been routes to a better future, cost-cutting and transformation were increasingly cast as measures necessary to survival (Lowndes and McCaughie, 2013).

Austerity hit many countries. Yet the UK was among its most willing adherents (Scharpf, 2013). Notwithstanding that the UK Government justified austerity as a solution to indebtedness (Fairclough and Fairclough, 2011), by 2017 the UK was among the OECD's most indebted states (Schäfer and Streeck, 2013, pp.2–3). The UK thus faced sharp, lengthy austerity without this being complicated by the underlying fiscal crisis characterising states like Greece or Italy.

While changes in funding to local government have rightly attracted extensive attention, UK austerity crossed sectors (Bailey et al., 2015; HM Treasury, 2010). With a breadth of Government departments asked to save, most services faced narrowing funding. This included the world's fifth largest organisation (Hyde and Exworthy, 2016; Nuffield Trust, 2017b): the UK's publicly funded National Health Service (NHS). Notwithstanding Government claims the NHS continued to receive just-about-increasing year-on-year funding, per capita funding substantially fell while per capita costs and need rose (Gainsbury, 2017; Lafond et al., 2014, 2016). Where the NHS struggles, the consequences can be severe (Watkins et al., 2017). It was the largest, and among the most important, organisations to face austerity. How bodies like the NHS manage austerity is vital to understanding contemporary public administration.

Studying austerity management

The academic study of organisational life under austerity has been clustered under the banner of 'cutback management', latterly 'austerity management'. This literature grew out of studies of government budgeting, informed by the private sector cutback management literature (Caiden and Wildavsky, 1980; Pandey, 2010). These heritages have suited the literature well, directing it towards detailed insights into how austerity alters budgeting processes, and the policy decisions organisations make towards bettering their bottom lines (Wildavsky, 1978; Levine, 1985).

However, this heritage also constrains the literature's empirical and conceptual focuses. Empirically, the literature's history in government budgeting studies has created a sustained focus on national and local government cases. Studies of central government departments are increasingly popular (Dowling and Harvie, 2014; Dunsire and Hood, 1989; L. Morris, 2016). Meanwhile local governments remain dominant (e.g. Cepiku et al., 2016; Davidson and Ward,

2013; Hendrick, 1989; Maher and Deller, 2007; O'Brien, 2013; Overmans and Noordegraaf, 2014), particularly within the UK (Bailey et al., 2015; Hastings et al., 2013; Hastings, Bailey, Gannon, et al., 2015; Lowndes and McCaughie, 2013; Lowndes and Pratchett, 2012; Meegan et al., 2014).

While in a UK context the focus on local government is justified by austerity's substantial impact there, its political leadership leaves it atypical of most public organisations. Managerially-led organisations have been comparatively neglected (Turnbull and Wass, 2015). Healthcare-based studies are rare, and often based on high-level quantitative data that provide little insight into healthcare organisations' particular contingencies (Leider et al., 2014; Rondeau and Wagar, 2001). Where research has got closer to the ground, this has come at the expense of robustness: Kardakis et al's (2014) analysis of a Swedish hospital savings programme is intriguing but the hospital's involvement in sampling leaves readers doubting its reliability.

This lack of focus comes despite the importance of austerity in areas like health care. The NHS was left seeking £20bn of savings (Charlesworth et al., 2016), jeopardising healthcare quality (Robertson et al., 2017). Yet organisational research on the so-called Quality, Innovation, Productivity and Prevention (QIPP) programme has been startlingly scant, limited to high-level policy accounts and interviews assessing organisations' financial positions and plans (Ferlie et al., 2018; Exworthy et al., 2016; Appleby et al., 2014). The literature's heritage in public budgeting leaves managerially-led organisations like healthcare bodies under-analysed.

This budgetary starting point also precipitates a high-level perspective and emphasis on senior staff. The literature emphasises high-level concepts like the distinction between across-the-board and targeted savings; or between 'managerial' and 'strategic' ways of exercising said targeting. Such categories make sense only in the boardroom. As soon as supposedly 'across-the-board' savings are delegated, they are inevitably focused on more specific changes. Austerity management studies skew towards such high-level budgetary activity, leaving more poorly understood grounded roles like the cutback 'envoy' tasked with communicating with departments (Williams, 2015). Notwithstanding the value of high-level ideas and the importance of strategic actors, too much focus there leaves us less sure of the breadth of grounded activities by which people manage austerity.

This focus on the budgetary and formal gives a misleadingly stable image of austerity management. Decisions about whether to make strategic, managerial or across-the-board savings are described as if made in environments of calm reflection (Levine, 1985).

Contemporary austerity's frenetic pace and short timescales figure little as explanatory factors in understanding organisations' behaviour. This is particularly striking given the rapid change (Cepiku et al., 2016; Raudla et al., 2013) and structural turbulence (e.g. Department of Health, 2010a; Edwards, 2016) characterising today's austerity. The ability to take and implement circumspect decisions should not be assumed.

This is a vision of austerity management excessively focused around the content of budgetary decisions. The practice of deciding and the frequently more junior work of implementing receive comparatively scant attention. Similarly neglected are decisions without immediate budgetary consequence. Yet not all austerity management is fiscal. Managers might safeguard non-financial initiatives despite growing financial pressure. They might undertake developmental initiatives to enable recovery from austerity when it ends. Or they might simply try to stabilise their organisation in ways which do not deliver direct savings. The focus on budgets unnecessarily narrows the range of ways people might respond to austerity.

Accordingly, this thesis departs from earlier conceptions of austerity management. The key questions of the austerity management literature have been 'what has been saved, where and how?'. These have been answered by reference to specified 'types' of savings (Bailey et al., 2015) and latterly broad 'strategies' of austerity management (Cepiku et al., 2016). While useful, these categories have narrowed the activity considered austerity management. This thesis therefore advocates a more common-sensical conception of austerity management: as a set of *responses to a situation*.

Engaging with austerity

This proposed conceptualisation leads this thesis towards pragmatism and Thévenot's (2001b) 'regimes of engagement' (RE). Pragmatism describes theories which locate the social in situated 'practices': constellations of action, things, knowhow, beliefs, discourses and so forth (Reckwitz, 2002). Falling under this broad label, RE stresses the normativity of all action and the search for coordination, befitting austerity's turbulent, normatively contested environment (Boltanski and Thévenot, 2006; Thévenot, 2001a).

Thévenot characterises social activity as a coordination problem resolved through the *situated* pursuit of some *good* or other. Coordination is difficult because we are *uncertain* how others (or the world itself) will behave. This is mitigated by gradually established understandings about how people behave in different *situations*. For Thévenot, it is therefore the ability to recognise *situations* and mitigate this uncertainty that enables us to coordinate. Without coordinating, it is hard to meaningfully act with agency, because the results of one's action are

so unpredictable. Thévenot's *situated* conception of action thus suits our desire to conceptualise austerity management in terms of *responses to a situation*.

RE is especially well suited to austerity's controversial context. Thévenot conceptualises all action as oriented to some *good*, which may be an abstract moral value or more intimate preference. Regardless, these *goods* shape how it makes sense to behave, and consequently the understandings one develops with others. When shared, or when compromises can be reached, such *goods* facilitate coordination. At others, *disputes* arise: these Thévenot theorises in detail (Boltanski and Thévenot, 2006). His framework is particularly apt to analyse situated organisational work occurring against backgrounds of normative dispute.

Yet austerity is not only an abstract dispute. Quite apart from its concrete consequences for people (Hastings, Bailey, Bramley, et al., 2015), it substantively changes organisational life. Important within this is that organisations become increasingly governed, subject to multiple new measures from anxious governments and senior managers (Oakes and Oakes, 2016). Thévenot's framework emphasises such devices designed to judge whether one is achieving the *good* sought. Such devices enable us to tailor our actions to better achieve that good, and to coordinate with one another about the right approach to take. They are thus the pivot around which social life is built. The *measurement devices* proliferating under austerity are also central to Thévenot's thought.

Thévenot's thinking is demonstrably suited to conceptualising austerity management in terms of responses to a *situation*. Better, it gives due precedence to the multiple normative commitments and associated measurement devices which austerity entails.

However, austerity is a distinctive *situation*. It is a complex of macroeconomic, political, organisational and social circumstances. Even if we experience some directly, we learn about most verbally. Public managers understand their organisations' austere *situations* through junior staff's reports. This typifies many contemporary *situations* which are increasingly 'textually mediated' (Fairclough, 2000, p.165). Indeed, discursive writers observe that 'situations' are necessarily discursive constructions: selective collations of circumstances designated as interrelated and pressing (Grint, 2005). That austerity's circumstances are so rarely directly observable only makes this discursive mediation more evident.

This thesis therefore complements Thévenot's perspective with Critical Discourse Analysis (CDA; Fairclough, 2015). A flexible analytic approach increasingly retreating from its left-wing origins, CDA offers multiple language-analytic tools (Fairclough and Fairclough, 2012). Already

deployed alongside Thévenot's work, it is a suitable companion to his thinking (Chiapello and Fairclough, 2002; Diaz-Bone, 2011, 2017). Indeed, Thévenot himself has called for exactly the greater focus on linguistic detail CDA provides (Moody and Thévenot, 2000).

'Managing austerity' is responding to a situation. This situation is value-laden, heavily governed and interlaced by national debate. This thesis operationalises this conception of austerity management, drawing on Thévenot alongside CDA. This substantially departs from a literature that relies excessively on high-level categorisations of budgetary choices. This becomes a central opportunity to advance the theory and better understand what people are doing when they are managing austerity.

Introducing the thesis

This thesis deploys its discursively inflected version of Thévenot's approach through four case studies. Focusing on UK healthcare austerity, it valuably counterbalances a literature which heavily emphasises politically-led organisations. It also highlights a pluralistic sector (Denis et al., 2007) where otherwise backgrounded disputes and tensions become highly 'observable' (Pettigrew, 1990).

To examine a multi-level phenomenon like austerity, this study focuses on four cases: one of the policy environment (2008-18) and three of organisations therein. Detailed observational, interview and documentary data were gathered from organisational sites over 14 months. These were then analysed through an innovative, multi-stage coding system designed to identify practices based on their manifestations, like 'situations', 'objects' and 'actions'. This produced a methodological framework sympathetic to both the study's empirical material and conceptual commitments.

Doing so produced a more dynamic, grounded account of austerity management than otherwise available. It emphasises the austere situation's *uncertainty* and the ambivalent effects of attempts to stabilise it. The rapid change austerity precipitates is cast as destabilising fragile agreements about the *situation*, the evaluative standards people should meet, and therefore how to coordinate work. This is developed into a multi-level model of austerity management focused not on the strategic responses chosen, but the organisational behaviours and practices precipitating them. This offers a more dynamic account of austerity than otherwise available, accounting for managers' difficulties in following injunctions to improve their practice (Levine, 1985). It thus enables more meaningful recommendations for those designing governance and regulatory systems.

This thesis comes in six parts, of which this is the first. The subsections below describe the contents of the remaining five. Further information on the policy background against which this thesis is set is found in Appendix 3.

Part 2 – Literature reviews

In preparation for study of NHS austerity management, Part 2 analyses and evaluates relevant research. **Chapter 2** analyses the austerity management literature. First it reviews that research's history and structure. Developing the argument above, it characterises the literature as excessively based around high-level budgetary concepts. These, it argues, occlude the grounded financial and nonfinancial practices in which both senior managers and more junior staff engage when addressing austerity. This is attributed to the literature's conceptualisation of austerity management in terms of choices between 'cutbacks' or narrowly-defined 'savings strategies'.

Chapter 3 therefore theorises austerity management as diverse *responses to a situation*. To do so, it turns to the literature on pragmatism, noting it emphasises *situated* action. Recognising the risk that such approaches become deterministic, it turns from traditional practice theory towards French pragmatism (or 'convention theory'). Here, Thévenot's thinking is found particularly apt to conceptualise austerity management, given his focus on *situatedness* and normative conflict. Yet the chapter notes a limitation in Thévenot's work: the lack of integral tools to analyse linguistic detail.

Chapter 4 addresses this limitation. First, it elaborates the above arguments for a partly discursive approach to austerity management. Highlighting existing austerity discourse research, it notes that it remains distinct from austerity management. Perversely, the Chapter realises, our analysis of the persuasive effects of austerity's language fails to consider how that language affects those public managers pivotal to how austerity plays out. It thus seeks an appropriate discursive approach, advocating CDA. After analysing CDA's compatibility with Thévenot, it concludes that the two combine powerfully.

Part 3 – Methods

The next Part develops methods to operationalise this theorisation of austerity management. **Chapter 5** first focuses on the ontological, epistemological and other conceptual commitments this practice approach entails. The Chapter then zooms in and describes data collection before elaborating an innovative analytic approach to robustly identifying practices. This approach draws on theoretical lessons from practice theory, but I am unaware of such a method being described elsewhere in the literature.

Part 4 – Organisations under austerity

With the methods established, this Part reports on the findings from the organisational cases. First, **Chapter 6** introduces the practices identified across sites. The five core practices are described through sketches, definition and vignettes. Combined with Chapter 5, Chapter 6 assures the reader the practices were robustly identified. The key practices identified – **attaining tenuous futures, constructing possibility, reconfiguring quality, conducting and contesting financial tests and reshaping engagements** – each describe processes of turbulence and change. Each is a key ingredient in the case reports and theorisations that follow.

With these practices established, **Chapter 7, Chapter 8** and **Chapter 9** tell the stories of organisational cases. Drawing on a processual analysis technique deployed to understand the practices' transformations across time, they divide events into periods, structuring their reports accordingly. Within each period, they highlight prominent practices, recalling Chapter 6 as appropriate. They then interpret their case, offering early theoretical conjectures.

These cases develop our understanding of the practices Chapter 6 reported. Accordingly, **Chapter 10** presents a dynamic and comparative account of these practices across sites, which draws empirical material closer to theorisation. It culminates in a model of austerity management based on these five practices. It highlights their connections but also internal tensions: beneath these five core practices, their constituent elements' dialectic relationships render each a site of tension. The Chapter ends by observing three theoretical puzzles remaining in the data, contextualising Part 5.

Part 5 – Theorising austerity management

This Part addresses these three theoretical puzzles: how do people discursively shape the situations they face; how are unstable austere situations stabilised; and how do continually shifting measurement approaches fare under austerity. First, **Chapter 11** uses a processual account of the national austerity debate to characterise the discursive shaping of situations. This theorises the '*situating work*' actors do to constitute a situation before *test(s)*. It also highlights the specific techniques used in this crisis' national discourse, setting the scene for later chapters. Its core contribution is to identify *situating work* as a core process within public controversies, making plausible its influence upon organisational actors.

Chapter 12 then theorises those organisational actors' roles when confronted by a turbulent situation. It highlights budgetary rules' perverse impacts and an associated discourse of existential threat. These produce a distinct cycle over the course of the financial year as senior

attention shifts from submitting compliant budgetary submissions to making real savings. The chapter characterises this annual cycle as a pattern of *opening and closing one's eyes* (Thévenot, 2009): or recognising and neglecting the arbitrariness of agreed plans. Arguing that different staff perceive such plans differently, it highlights resultant conflict.

The situational instability Chapter 12 identifies sets the scene for a difficult management environment. This is worsened by the rapidly changing evaluative criteria austere organisations face and impose. **Chapter 13** examines these combined dynamics. It characterises them as precipitating problems of coordination which only make it harder for organisations to manage. Efforts to correct for this are potentially damaging, often precipitating further instability. Eventually, such coordinative changes become so problematic as to risk a '*triple crisis of coordination*': a time when coordination becomes problematic across Thévenot's three *regimes of planning, familiarity and justification*.

Part 6 – Conclusions

These chapters cast austerity management as an effort to create stability in a deeply unstable situation. **Chapter 14** collates this picture, highlighting the connections between Chapter 12's temporal cycle, Chapter 13's evaluative dilemmas, and how both are embedded within the multi-level discursive and policy processes on which Chapter 11 focuses. This produces a multi-level, integrative model of austerity management. The chapter develops this to highlight challenges for the conventional austerity management literature, and supplementary contributions for RE studies. Based on these, practitioner and policymaker lessons are elaborated.

Part 2 – Literature reviews

Chapter 2: Austerity management

Introduction

Chapter 1 highlights the myriad challenges of managing austerity. It involves difficult decisions, challenging implementation and delicate governance dilemmas. These are difficult even in the abstract. But public servants lack the luxury of managing in the abstract. Instead, they operate from within austerity's complex, unstable environment. Under austerity, acrimony and mistrust become commonplace (Schmidt et al., 2017); data become unreliable (Rubin, 1977); established routines decay (Ferlie and Judge, 1981); individuals bear extreme burdens (Turnbull and Wass, 2015; Clayton et al., 2015); and public organizations' plural values conflict ever-more openly (Pandey, 2010). Bound up in this environment, managing austerity is all the harder.

Yet the austerity management literature is generally oddly withdrawn from the situated difficulties austerity managers face. With strong debts to public budgeting and private sector cutback management literatures, it emphasises decisions about financial strategy. Such analysis foregrounds high-level, static concepts like the distinction between 'incremental' and 'targeted' cuts (Levine, 1978; Raudla et al., 2015; Wildavsky, 1978). Similar typologies describe types of budgetary change, excluding from consideration nonbudgetary efforts involved in dealing with austerity. There result static images of savings which austerity's instability renders dynamic and uncertain. High-level, static, budgetary concepts poorly describe the untidiness of savings under austerity.

Such abstractions belie the untidy, messy, dynamic nature of austerity. Yet austerity is an unstable, fraught, dynamic situation (Ferlie and Judge, 1981; Meegan et al., 2014). It seems likely to interact with approaches to managing austerity, and to undermine the stability of purposive strategic action (Behn, 1980). Yet the literature conceptualises that situation merely as a contingency that managers should consider in rationally managing austerity (Levine, 1985) or a variable predicting certain approaches (Cepiku et al., 2016). These present an unduly static, un-situated perspective on austerity management.

This static, high-level view makes it harder to understand the grounded practices by which savings are achieved. It focuses on the high-level strategic choices managers make (Cepiku et al., 2016; Hastings, Bailey, Bramley, et al., 2015; Hunter, 1979), not the practices involved in making them. It is unsurprising that Schmidt et al (2017, p.1539) conclude that the literature

has focused on ‘the effects of cutbacks...and on the content of cutback packages’ not ‘how public managers handle’ such savings efforts. The lens remains strategic and high-level, withdrawn from the substance of day-to-day austerity management action.

This precipitates a limited account of austerity managers’ agency. Managers tend to be cast as rationalists operating upon their austere settings from outside to unwaveringly achieve their allotted targets (Schmidt et al., 2017) or maximise benefits. Else they are operators of abstract criteria determining the types of savings they will make (Sosin, 2012). Either way, they are rational actors with unitary preferences operating on austere situations from outside. This seems a strange account of conflictual environments in which managers themselves face multiple normative imperatives (Pandey, 2010).

The argument above proceeds in four sections, concerning savings’ content, situation, practices and the agency involved therein. Following a historical overview of the literature, one subsection addresses each element. Given the limitations identified therein, this culminates in a call for a more situated, pragmatist analysis of austerity management.

This need not reject the current literature, but rather enables us to better pursue its most intriguing insights. How are high-level savings strategies (Cepiku et al., 2016) mediated within turbulent organizations (Rubin, 1977)? Through what processes are certain accounts of the austere situation accepted (Behn, 1980) and certain prioritisation criteria selected (Meier and O’Toole, 2009)? What else occurs in the shadows of such formal approaches? Put simply: what do people do when they are managing austerity?

Tracking the austerity management literature

Subsequent sections present this review’s central argument; this section contextualises it by outlining the literature critiqued therein. Following Raudla et al (2015), I distinguish austerity management literature from general organizational decline writing and political literatures on government budgeting. Nevertheless, I highlight these and related literatures where gaps in the austerity management literature remain.

The developing literature: 1970s & 1980s

Austerity management research emerged to fill a compelling need. Conventional public administration theory has been largely developed in times of plenty. It presumed increasing or stable resources and counted expansionist or resource-neutral ‘change’ among its key problematics (Levine, 1978). Generic organizational decline writing (Whetten, 1980) was largely developed in private sector settings. Such bodies faced perhaps greater existential

threats than public sector organisations, but enjoyed more freedom in handling cutbacks. Neither literature effectively advised public organisations about the economic climate they encountered in the late 1970s and 1980s. Writers attempted to fill this void, drawing on public budgeting literature alongside private sector cutback management writing (Bozeman, 2010; Caiden and Wildavsky, 1980).

Early austerity management research therefore centred on questions amenable to budgetary answers. One key early problematic was categorising the savings organisations made. While a range of budgetary categories were deployed (Dunsire and Hood, 1989), one became predominant: the opposition between ‘targeted’ and ‘across-the-board’ savings. These savings models and their corresponding ‘rational’ and ‘decrementalist’ philosophies provided the field’s early theoretical coherence (Levine, 1978; Wildavsky, 1978).

This analysis often blurred the positive and normative. Authors analysed both the savings managers made and those they should make. Particularly writers supporting ‘targeted’ cuts tended to bemoan practitioners’ inability to take such ‘rational’ choices (Levine, 1985). Some early processual work supported this normative conversation by linking downstream problems to choices of ‘targeted’ or ‘across-the-board’ savings (Levine, 1984). Normatively as well as positively, the distinction between rationalism and incrementalism characterised the early literature.

Given the literature’s strong normative bent, studies also sought lessons about how to coordinate austerity management. Writers debated centralisation (Behn, 1980), staff (Cayer, 1986) and change management (Raudla et al., 2013). Early writing in this school tended to be prescriptive, but often offered detailed – if stylised – accounts of staff behaviours (Flynn, 1991).

The early literature considers two key questions. First, what sort of savings would (and should) organisations make? Second, how should such a process be designed to minimise problems? Their normative bent reflects the practical gap they addressed, and their focus on budgetary categories the budgeting theory they drew on.

Re-awakening: the early 21st Century

After the 1980s, spending rose again and interest in austerity management diminished. Only when the early 2000s saw further cuts, was the 1980s literature revisited. Yet public administration had changed since the 1980s. Writers remained interested in understanding what spending organisations were likely to cut. But they now wanted to do more than

categorise those cuts (Meier and O'Toole, 2009; Sosin, 2012). Where 1980s scholarship asked what savings were likely to be made, the early 21st Century literature asked how managers were reaching such conclusions. The chief problematic of this phase of literature was less what was cut than why such choices arose.

Post-2008 studies

Following 2008, a new tranche of austerity management writing emerged (McCann, 2010). It both recalled and reacted against its predecessors (Raudla et al., 2015; Williams, 2015). Those analysing which savings organisations would make departed from the simple dichotomy between 'across-the-board' and 'targeted' savings but introduced a new budgetary typology of their own. Particularly in local government writing, the distinction between 'retrenchments' (service reductions), 'efficiencies' (reducing operating costs while maintaining provision) and 'investments-to-save' (financial outlays to reduce long-term costs) became dominant (Hastings et al., 2013). Like their predecessors, such analyses categorised and counted budgeted savings.

In a greater departure from earlier studies, others attempted to characterise organisations' broad savings approaches (Lodge and Hood, 2012). Characteristically deploying case studies, such studies described and categorised whole-organisational strategies, not individual savings (Cepiku et al., 2016). They thus differed in scale from analyses based on categorising individual savings; but shared their focus on organisation's savings choices.

Meanwhile, this period saw a revival of interest in the organisational changes associated with austerity. Earlier approaches to issues like centralisation and people-management had often been prescriptive. Conversely, these adopted a positive approach to the association between austerity and centralisation (Kickert, 2012) while analysing actors' strategies for evading central control (Newman, 2014; Oakes and Oakes, 2016). Like their predecessors, however, such analyses tended to focus on high-level, often structural, changes (Ghin et al., 2018).

The foregoing paragraphs provide a descriptive account of the austerity management literature's main trends. Yet it may be evident that there is an argument to be made about the high-level focus of the literature. Such an argument would suggest that the price of so much high-level analysis of organisations' savings approaches has been understanding the practices by which they select and operationalise them. The following sections develop this argument examining the literature's conception of which savings are made, their context, the practices by which they are realised, and the agents involved.

The content: savings

Much austerity management writing attempts to understand what savings organizations make. For clarity, I will call this ‘the content literature’, to distinguish it from analysis focused on how or why such savings are made. The content literature extensively utilises organisations’ own spending figures (e.g. Dunsire and Hood, 1989; Hastings, Bailey, Bramley, et al., 2015). Naturally, this means a focus on phenomena observable on balance sheets, like shifts in spending between budget lines (Levine, 1978). Such research theoretically and empirically shaped early cutback management research. While often using non-budgetary data, most research took as its empirical object the ‘cutbacks’ visible on balance sheets (Hendrick, 1989). These were often theorised through concepts like ‘rational’ and ‘decremental’ cuts developed through early budget analytic studies. This section traces the achievements and limitations of this dominant strand in the austerity management literature.

The early content literature experimented with a variety of ways of categorising spending changes. Writers eager to predict austerity measures’ empirical consequences utilised concepts from the field, often operational or functional distinctions between areas of spending. They thus argued that savings hit the ‘middle’ of organisations more than the ‘base’ or ‘top’ (Dunsire and Hood, 1989); that easily-altered capital spending is vulnerable (Hood and Wright, 1981; Maher and Deller, 2007); and that hiring freezes are more common than wholesale layoffs (Raudla et al., 2013).

‘Across-the-board’ and ‘targeted’ cuts

Nevertheless, it was the distinction between ‘targeted’ and ‘across-the-board’ savings which rapidly became dominant (Ghin and Kristiansen, 2018; Levine, 1985; Raudla et al., 2015). ‘Targeted’ savings are purposive, asymmetrical reductions in budgets or services. ‘Across-the-board’ savings are proportionately equal reductions to all units. The debate intertwined positive and normative disputes over such cuts’ likelihood and desirability.

For some, targeted cuts were desirable as they rationalised formerly wasteful organizations (Jimenez, 2014). Levine (1978, 1979, 1985) was a key proponent of this normative view. Following a strategic planning logic (Ferlie and Ongaro, 2015), he cast cutbacks as an opportunity for rationalisation. Conversely, he feared that across-the-board cuts would prevent effective decision-making as resources drifted imperceptibly towards powerful departments. For Behn (1980), targeted cuts were apt unless only marginal savings were needed. For these writers, strategically targeted cuts were rational, though not necessarily likely (Levine, 1985).

Others pointed to the disruption such sweeping changes risked, arguing that across-the-board approaches were thus both desirable and likely. They characteristically drew on incrementalist budgetary theory, which explains budgets' relative stability in terms of budgeters' inability to holistically analyse expenditure, and aversion to disruption (e.g. Wildavsky and Caiden, 2003). Mirroring this, they argued that gradual reductions in all budgets ('decrementalism') could maintain stability (Ferlie and Judge, 1981), whereas large changes risked internal acrimony as departments jockeyed to avoid the worst cuts (Wildavsky, 1978). Accordingly, organizations would wisely choose decremental responses (Hendrick, 1989).

Those challenging decrementalist predictions generally focused on circumstances promoting targeted responses. For some, targeted cuts were likely where fiscal restraint is severe (Kelly, 1989), longstanding (Levine, 1979; Hood and Wright, 1981; Stipak and O'Toole, 1993) or sudden (Glassberg, 1978). Others noted that centralisation enabled targeted responses (Hendrick, 1989). Raudla et al's (2013, p.9) review suggests that organisational level is key: they find that American studies identify few across-the-board approaches in local governments, but state-level studies find more. Suggestions that the types of cuts likely are circumstantially contingent are lent credence by the mixed empirical picture early studies present (Dunsire and Hood, 1989; Raudla et al., 2015).

Some have deployed this strategic/across-the-board dichotomy to explain temporal changes in savings programmes. Most frequently, writers predict a gradual movement from across-the-board to targeted savings over time (Hood and Wright, 1981; Jimenez, 2014, p.497; Kelly, 1989; Levine, 1979, 1985; Pollitt, 2010; Troupin et al., 2013). Jørgensen distinguishes two varieties of 'targeted' cuts – 'managerialist' efficiencies and large-scale 'strategic' change. This is used in a three-stage process model in which across-the-board cuts become managerialist and then strategic savings (Dunsire and Hood, 1989, pp.170–178). Some suggest that such 'phases' models understate inter-phase overlap (Dunsire and Hood, 1989) or that this linear movement is present only under certain circumstances (Cepiku et al., 2016). Yet such models generally predict linear progress from the across-the-board cuts these writers often decry to the 'strategic' approach they advocate (Levine, 1978, 1985).

Beyond targeting and decrementalism

The distinction between across-the-board and targeted savings has thus been a valuable analytic resource to austerity management writing and offered the field an early theoretic anchor. But it characterises organisational responses to austerity only in terms of spending reductions. Behn (1980, p.614) makes explicit an assumption much early literature shares by

casting organisations as facing a choice between cuts and extinction. But ‘cuts’ are far from the only alternative to extinction. And even in organisations making them, cuts alone may be insufficient to address ‘austerity’. A literature analysing organisational responses to austerity must describe more activity than ‘cuts’ alone.

Later authors recognised the greater breadth of viable approaches to managing austerity (Ferry et al., 2019). Local government studies often emphasise the trichotomy between ‘retrenchments’, ‘efficiencies’ and ‘investments-to-save’ (see p.25; Bailey et al., 2015; Hastings et al., 2013; Hastings, Bailey, Bramley, et al., 2015; Hastings, Bailey, Gannon, et al., 2015). Others divide savings in terms of whether they represent specified ‘organisational’ changes or ‘fiscal’ shifts (Overmans and Noordegraaf, 2014). The former entail specific reforms like re-engineering initiatives or hiring freezes, the latter are merely financial measures (Cepiku et al., 2016, p.6). Such approaches go beyond the ‘cuts’ which earlier typologies categorised.

Yet they share something with such earlier approaches. Their objects of analysis remain individual, financially quantifiable ‘savings’ (including ‘investments-to-save’) visible on balance sheets. Such approaches are susceptible to two critiques. First, they treat savings as misleadingly static. Cataloguing, categorising and aggregating individual ‘savings’ treats each ‘saving’ as a unitary object that remains stably in a category. Yet in fact writers note that supposed ‘efficiencies’ might end up ‘retrenching’ services (Hastings, Bailey, Bramley, et al., 2015; Fitzgerald and Lupton, 2015). Others note that savings ‘across-the-board’ at one hierarchical level may become ‘targeted’ as delegated through an organisation (Ghin and Kristiansen, 2018; Ongaro et al., 2015; Raudla et al., 2015). Going further, I observe that all ‘across-the-board’ savings are necessarily ‘targeted’ once operationalised.

Second, all these typologies still exclude certain responses to austerity from consideration. Early and contemporary categorisations alike focus on financial savings. Yet organisations also respond to austerity through nonfinancial measures. Some mitigate austerity’s consequences without changing spending (Clayton et al., 2015; Newman, 2012), or resist it altogether (Fuller and West, 2017). Yet to a literature originally based on analysing budgets and balance sheets, the presumption seems natural that all austerity management is fiscal.

Beyond individual savings

Perhaps aware of the need to give a broader picture of austerity management, some attempt to characterise whole austerity management programmes. Yet some such approaches still rely on categorising savings. Local government scholars examine the distribution of different types of cuts (Hastings et al., 2013; Hastings, Bailey, Gannon, et al., 2015; Hastings, Bailey, Bramley,

et al., 2015) to see whether councils fit Shaw's (2012) ideal of the 'resilient local authority' (e.g. Fitzgerald and Lupton, 2015; Lowndes and McCaughie, 2013; Reid, 2018). They remain reliant on the savings typologies critiqued above.

Another set of studies avoids aggregating individual savings. But they still rely on high-level categories derived from budget analysis. Many processual studies are framed as analyses of the consequences of strategic choices between 'types' of savings, like across-the-board and targeted cuts (Levine, 1984); or layoffs and attrition (Cayer, 1986; Nutt, 2007). Seen through such high-level static budgetary concepts, details of organisational life become simply functions of macro-strategic choices.

Others look more widely to conceptualise organisational savings approaches. Some draw on categories drawn from political science. Flynn (1991) analyses a hospital's savings approach in terms of whether it suggests professional or bureaucratic dominance. Lodge and Hood (2012) conjecture that states will choose between 'directive', 'hollow', 'communitarian' and 'coping' strategies in responding to austerity depending on the vulnerabilities they face. Cepiku et al (2016) draw on this framework in studying the responses of Italian local governments (Kim and Warner, 2016). Frameworks like this supplant the budgetary categories common to the budget-oriented literature with those drawn from higher-level political perspectives (Ghin et al., 2018).

Beyond savings choices

The content literature frames austerity management as a question of strategic financial choices. Given its debts to public budgeting and strategic management studies, this is unsurprising. Yet it frames our understanding of austerity management in terms of high-level static typologies, like the distinction between 'targeted' and 'across-the-board' cuts.

Inevitably, such typologies focus our gaze selectively. Here, the focus on 'savings' neglects nonbudgetary changes. While many responses to austerity are probably visible on budget sheets, many will not be. Some will attempt to manage the instability and uncertainty – not necessarily the financial scarcity – austerity brings. Others will attempt to mitigate its impact on nonfinancial values. Still others may resist it outright. Responding to austerity cannot be reduced to budget-relevant changes. The content literature misses nonfinancial responses.

The situation: austerity

Yet perhaps a greater problem with the content literature comes from the dominance of its concepts in our wider understanding of austerity management. Most early writing focused on

the content of savings approaches or was strongly influenced by the content literature's concepts. This shaped austerity management as a field, conceptualising austerity through a high-level, strategic lens (Levine et al., 1981; McTighe, 1979).

Such lenses are analytically useful where purposive, strategic managerial action drives change: that is, where the underlying situation itself is relatively stable. But this is a poor characterisation of austerity. This section demonstrates austerity's instability, thus developing an argument that suggests high-level strategic perspectives on austerity management are insufficient.

Austerity's instability

Austere organisations present diverse, unstable, fraught situations (Meegan et al., 2014). Routines decay (Ferlie and Judge, 1981); normative compromises and cooperation destabilise (Pandey, 2010; Clayton et al., 2016); normal boundaries of working life are transgressed (Turnbull and Wass, 2015). Writers at the austerity management literature's peripheries emphasise austerity's conflictual (Newman, 2012, 2014; MacKillop, 2014), emotionally fraught nature (Clayton et al., 2015, 2016).

Such features seem likely to shape and be shaped by austerity management work. Yet where represented in the literature they tend to be reduced to contexts which should influence the content of managers' strategies (Hardy, 1987; Levine, 1978, 1985; Williams, 2015), or static variables predicting different approaches (Lodge and Hood, 2012; Cepiku et al., 2016). Refracted through the static, strategic lens the content literature deploys, these features become the background to purposive organisational action. This underplays the impact instability, uncertainty and conflict can have on managing austerity.

This is particularly problematic for those swathes of austerity management research that rely on organisations' own data. We know people may report conservative, 'fudged' or inaccurate data under austerity (Ferlie and Judge, 1981; Rubin, 1977; Schmidt et al., 2017; Davidson and Ward, 2013). Indeed, austerity promulgates wholly new types of measurement (Abdullah et al., 2018; Oakes and Oakes, 2016; Rubin, 1977), overlaid upon existing budgetary approaches (Wildavsky, 1978). Not all such means of measurement are neutral but may instead be bound up in organisational or ideological conflicts (Fuller, 2017, pp.752–756). Treating organisational figures as reliable research data casts austere situations as misleadingly stable and consensual.

Much of this is implicit, springing from inattention to the situation's vicissitudes. Austere situations which are analysed tend to be high-flown national or sectoral situations, distant

from the quotidian situations facing austerity managers (MacKillop, 2014). Without accounting for these, we cannot comprehend the contrasting situations savings schemes encounter as they flow from boardroom to operationalisation (Sørensen and Kristiansen, 2016). For a literature ultimately investigating how people respond to a situation (austerity), austerity management research is oddly un-situated.

Shaping austerity

This lack of situatedness is puzzling given how aware writers seem to be of the importance of how the situation is seen (Pollitt, 2010; Nutt, 2007). That austerity is particularly open to multiple representations and perceptions is a further complexity for which successful analysis must account (McCann, 2013).

Many references to the situation's importance come through normative advice to managers. Writers emphasise the need to convince others to see the situation your way (Pollitt, 2010; Nutt, 2007): that is, to believe cuts are necessary or inevitable (Behn, 1980; Schmidt et al., 2017) because of a crisis (Dunsire and Hood, 1989). Kardakis et al (2014) cast the relative consensus about a savings programme's causes as one of its successes. Critical writers emphasise the potential of such framings to paint austerity as an unavoidable 'age...something beyond individual agency' (Fuller, 2017), and to shape subsequent action (Hay, 1999; O'Neill, 2012). Critical and managerialist writers seem to agree that austerity measures' implementation depends significantly on how staff see the situation (Whetten, 1980).

This observation implies a recognition that the 'situation' to which one can respond is not the situation 'out there' but the situation as one perceives it (Grint, 2005). Jick and Murray (1982) first formalised this realisation with a model of austerity management that differentiated 'objective' from 'perceived' 'crisis conditions' (Jimenez, 2013). Since then, Maher and Deller (2007) have empirically confirmed the distinctiveness and importance of perceived fiscal stress. Their quantitative study found perceived fiscal stress a better predictor of public managers' willingness to impose austerity measures than objective measures of fiscal stress. The perceived situation appears influential of austerity responses and distinct from the situation 'out there', supporting accounts of austerity decisions emphasising the diverse frames through which crises are seen (Di Mascio et al., 2013; Di Mascio and Natalini, 2015; McCann, 2013; McGivern et al., 2017; Whetten, 1980).

Consequently, understanding austerity management entails understanding how austere situations are shaped. Yet the literature says little about the shaping of situations under austerity management. Even Jick and Murray (1982, p.146) say little about what causes given

‘interpretive paradigm[s]’ to be chosen. Accordingly, their model focuses on the influence of large-scale organizational and external conditions to explain how situations are perceived.

Since then, a breadth of developments in interpretive and discursive research provide models and techniques to explain how situations become seen in certain ways (Van Dijk, 2003, 2009, 2013, Fairclough, 2003, 2015). Interpretive and discursive writers have traced how texts and talk can influence perceptions of situations and challenges (e.g. Jones and Exworthy, 2015; Vaara et al., 2010). There are good reasons to think discourse shapes perceived situations in a manner susceptible to study (Fairclough et al., 2002).

Some align themselves with such traditions to consider how austerity is represented in organisations. They characteristically adopt critical standpoints to determine how austerity discourse coerces workers (Fuller, 2017; Fuller and West, 2017) and how they might resist or mitigate such policy (Newman, 2014). Else they might analyse particular elements of a situation’s interpretation, like how accountancy helps make sense of austerity and how this relates to accountability (Hayne, 2015). Such approaches reaffirm the importance of how austerity is represented. But their focus is not on how this forms part of austerity management writ large.

Conversely, the core austerity management literature remains yet to take advantage of these advances to analyse how people perceive austere situations. This is no trivial gap: the processes interceding between objective contextual conditions and perceived situations are an analytically unavoidable mediating step in any explanation of how people act under austerity.

Situating austerity

This section argues that the literature under-situates austerity management. Its high-level strategic lens makes sense only alongside an environmental stability austerity lacks. Both austerity’s material context and the way austere situations are presented leave perceived situations fissile. This highlights the complexities of organisational austerity and commends a more situated approach. Pragmatist approaches, which base themselves on analysis of situated action, already seem promising, particularly as they can accommodate analysis of discursive practices (Bourdieu, 1977; Vaara et al., 2004). The next section examines how the practices of austerity management are currently conceptualised.

The practice: managing austerity

Failing to adequately conceptualise the austere situation is itself a limitation. But it also entails further problems. Without accommodating austerity’s complexities and conflicts, we cannot

understand people's work to address them. Without acknowledging unreliable data, conflict or emotional distress, one cannot identify the practices causing or mitigating them. Because the high-level strategic lens adopted by research on austerity programmes' contents misrepresents austerity's complex situations, it cannot accommodate the breadth of practices involved in managing them.

This limits our understanding of all responses to austerity – even the budgetary changes traditional typologies capture. The literature's high-level strategic lens interprets austerity management in terms of purposive, strategic action at the expense of understanding the practices by which those strategies are selected and pursued (Levine, 1984). Where studies empirically catalogue more micro-level dynamics, these dynamics receive scant theoretical focus (Flynn, 1991). This limitation is particularly important under austerity – a turbulent situation in which one cannot assume the nature of day-to-day work remains stable (Barley and Kunda, 2001).

Were this simply a limitation of the austerity content literature, this may not be a problem: other studies could interrogate these important dynamics. Yet this section demonstrates that such analyses are lacking. So important were the content literature's high-level, static concepts that they came to dominate later writing. This section investigates varied writing with implications for how people do austerity management, demonstrating that this lens still limits our appreciation of the austerity management's grounded practices (Bozeman, 2010).

Austerity processes

Without aiming to describe the processes by which savings were made (Van der Voet and Vermeeren, 2017; Maher and Deller, 2007), early studies carried implicit models thereof. Behn (1980) imagines managers deciding between cuts and extinction; Raudla et al (2015, p.434) focus their review on 'decisions that are made *after* the decision has been made...to use expenditure cuts'. Nor are they alone: studies often treat organizations as if they make decisions by gradually narrowing down their options according to academics' abstract budgetary typologies.

Yet there is little evidence such a rational path is followed. Organisational decisions are considerably messier than such trajectories imply (Langley et al., 1995). Decisions may be between concrete options, not abstract savings categories. Organisations may ask not 'shall we use across-the-board or targeted savings?' but simply 'where can we save?'. Raudla et al's timepoint when an organisation has committed to 'expenditure cuts' but not yet specified

savings may not exist. The content literature presents a misleadingly rationalistic picture of the austerity management process.

Austerity and organisational life

Some aim more deliberately to describe changes in organisational life under austerity. They adopt three focuses: i) governance and centralisation, ii) staff and performance management and iii) restructuring and change (Raudla et al., 2013; Ghin and Kristiansen, 2018). That these are the areas they choose is already telling: echoing the content literature's high-level strategic lens, they concern structure and where strategic decisions are made.

First, the most developed consideration of organisational change under austerity focuses on governance (Barker and Mone, 1998; Hardy, 1987). Many argue that austerity promotes centralisation as senior staff grapple harder for budgetary control (Oakes and Oakes, 2016; Schmidt et al., 2017) to enable major changes (Levine et al., 1981). Centralisation occurs intra-organisationally (Raudla et al., 2013) and inter-organisationally (Clayton et al., 2016). Others have identified more decentralised approaches under certain crisis conditions (Kickert, 2012; Boin et al., 2009). Even following formal centralisation, staff may resist central control (Dommett and Skelcher, 2014; Schmidt et al., 2017; Levine, 1978, 1979). There is a mixed picture over how levels of central control change.

But this picture is less puzzling than it seems. As Ghin and Kristiansen (2018) observe, some things can be centralised while others are decentralised. When one looks across levels in a system, one might note centralisation of decisions about aggregate savings alongside decentralisation of choices about how to achieve them. Only the austerity management literature's static, strategic lens makes the two seem dichotomous. Understanding how centralisation and decentralisation interweave requires closer attention to austerity management practices.

Second, writers investigate staff and performance management. As observed above, these often emphasise the stories they should tell staff about the austere situation (Behn, 1980; Kardakis et al., 2014). Beyond this, they consider the necessity for communication, and the relative benefits of layoffs and attrition (Cayer, 1986; Levine, 1984; Rondeau and Wagar, 2001). While often insightful, such writing tends to focus on high-level structural changes. Indeed, the purpose of staff interactions often seems to be retaining the ability to make preferred strategic changes without resistance (McTighe, 1979). Conversely, we learn comparatively little about the grounded interactions managers have with staff (Lodge and

Hood, 2012). It is thus that key austerity actors, like the austerity ‘envoy’, remain so poorly understood (Williams, 2015).

Finally, some consider prospects of restructuring and change under austerity. One major debate asks whether austerity promotes or deters major change. Many are pessimistic, noting that time and resources for major changes are short (Cayer, 1986; Raudla et al., 2013). Barker and Mone (1998) note that becoming increasingly mechanistic – as austere organisations tend to – inhibits strategic change. Others note potential obstacles, such as the risk leaders offer insufficient attention (Cayer, 1986), or avoid potential conflict (Levine, 1984). There are insights here, but they tend to focus on structures, strategies and senior managers. The more grounded activities associated with staff interactions under austerity remain elusive.

Both the choice of areas on which this writing focuses and how it does so emphasise the continued high-level strategic perspective they adopt. There remains a pressing need to understand the grounded practices by which organisations manage austerity (Bracci et al., 2015). Some studies towards the austerity management literature’s peripheries align theoretically with pragmatism. Yet their focus often remains on the content of organisational policy (Fuller, 2017). Lowndes and McCaughie’s (2013) ‘exploratory’ study relates their site’s policy choices under austerity to older policy ideas, thus concluding that a process of ‘institutional bricolage’ was at work. Yet its analysis of *which* policy options are selected cannot realise the potential of such approaches to explain *how* such decisions are made, maintained and implemented. Even those analyses of organisational life theoretically indebted to practice theory omit the detail of organisational life under austerity.

Agency: austerity managers

This perspective simplifies the decision-making processes occurring within organisations. The literature’s strategic focus tends to treat organisations as if they were single actors making decisions. Yet as Pandey (2010) observes, resource scarcity surfaces such conflicts in organisations with plural goals. Studies identify many conflicting motivations to explain managerial priorities (Leider et al., 2014; Maher and Deller, 2007; Meier and O’Toole, 2009; Sosin, 2012). Yet the literature’s implicit and explicit models of agency do little to accommodate conflict between such multiple priorities.

Interests and preferences

Much of the literature treats people as fundamentally rational actors pursuing their interests. Particularly earlier writers tended to cast individuals’ behaviour as questions of self-interest (Glassberg, 1978; Levine, 1978; Kelly, 1989; Dunsire and Hood, 1989). Glennerster (1980,

p.368) reacts against this dominant unitary rationalist account, instead identifying plural groups' 'different kinds of rationality' and the conflict they precipitate. Yet closer examination reveals that the core model of self-interest rationality remains intact: rather than truly different rationalities, Glennerster describes groups with different interests and information applying similar rationalistic calculi to determine their action. Martinez's (1994) critique of the preceding literature as highly rationalistic remains apt.

In this narrative, organisational choices about which savings to make can be explained by reference to individual rational preferences, or the intersection of competing self-interested actors. This obscures the other motivations people might have for their priorities. Literature describes people advocating 'the "fair shares" principle' for distributing savings responsibilities equally across-the-board (Kelly, 1989, pp.192–193; Raudla et al., 2015, p.437). When they do, they cast advocating 'fair shares' as a prudential, self-interested step: a concept departments invoke to minimise savings responsibilities. The assumption here is that 'fairness' is not a motivation to be taken seriously. Principles like 'fairness' are reduced to expressions of presumed underlying self-interest.

Values, pluralism and conflict

Yet evidence suggests that public servants are engaged in value-laden work in which normative pressures are important (Degeling et al., 2006; Ongaro et al., 2015). Recent years have seen public organisations given more decision-making responsibility while being further responsibilised to reconcile competing objectives (Bailey et al., 2015; Newman, 2001, 2014). Studies outside the austerity management literature emphasise the additional, even 'extreme' work public servants do to protect clients and maintain values (Clayton et al., 2015; Turnbull and Wass, 2015). Civic duty and 'togetherness' are deployed to motivate this (Clayton et al., 2016; Fuller, 2017; Turnbull and Wass, 2015). In public sectors under austerity, values influence how people manage.

These values probably conflict. Public organisations have plural goals (Pandey, 2010; Glennerster, 1980; Hood, 1991). Scarce resources surface inter-goal conflicts which remained submerged in times of plenty. Governments struggle to reconcile fiscal and political objectives (Pollitt, 2010); organisations find quality and cost challenging to simultaneously maintain (Ongaro et al., 2015).

A comparatively slim literature attempts to deduce the relative prioritisation public organisations give to competing values. Dunsire and Hood (1989) suggest that civil servants avoid cutting whatever they perceive as the 'core' of their services. Meier and O'Toole (2009)

test this contention through a study of American school managers. They found that managers did indeed protect their 'core' – understood as standardised test scores – while cutting other areas of expenditure. Meanwhile, Sosin's (2012) analysis of American substance abuse services finds that those which are harder hit by austerity are more likely to mimic federal priorities, as opposed to protecting the neediest. Conversely, Leider et al (2014) suggest that public health staff focus funds towards this greatest need. Meanwhile, Maher and Deller's survey (2007, p.1567) paint a picture of public servants eager to preserve the basic existence of each service except when 'facing significant levels of fiscal stress'. Many motivations for savings choices appear present.

Yet the quantitative studies dominating such work give a reductive picture of values. While some measure values through survey responses (Leider et al., 2014; Maher and Deller, 2007), Overmans and Noordegraaf (2014) warn that espoused and actual responses to austerity differ. Others measure values through the proxy of the outcomes of organisational decisions (Meier and O'Toole, 2009; Sosin, 2012). However, they inevitably struggle to find organisational outcomes with unambiguous antecedent values: why should we conceptualise Meier and O'Toole's (2009) standardised test scores, to be protecting one's 'core' work not following institutional pressures (Sosin, 2012) or safeguarding one's reputation? Most importantly, however one measures the variables of values, converting values to variables represents them as artificially clear and unitary. What one's 'core work' is may itself become disputed. Understanding the dynamic operation of values in organizations requires closer attention to values and *valuation* than converting them to quantitative variables can achieve.

Treating values as distinct variables also obscures public organisations' plurality of values (Pandey, 2010; Hood, 1991). From this pluralist perspective, it is unsurprising that the studies above find many motivators for organisational decisions. Yet the literature frames these multiple motivators not as complementary, interacting values, but as competing explanations for unitary organisational actors' behaviour. Rather than seeking the 'right' motivator to explain decisions under austerity, a more productive account would accept the pluralism of complex, professionalised organizations and interrogate the social processes through which given values become influential in context. This could explain the complex, pluralistic valuation processes within austerity management.

Conceptualising austerity management

The existing austerity management literature stresses high-level accounts of savings at the expense of detailed understanding of the practices involved. This makes it harder to explain

such decisions, and leaves such accounts distant from, and less useful to, public managers. Too frequently, one finds oneself turning to studies at the periphery of the austerity management literature for detailed description of austere organisational life (e.g. Clayton et al., 2015; Fuller, 2017).

Nor is this coincidental. This literature conceptualises itself as the study of cuts and savings schemes. Inevitably, it emphasises identifying and categorising chosen schemes, and explains organisational dynamics in terms of those high-level strategic choices. It is thus unsurprising that it offers limited insights into the messy processes generating ideas (Langley et al., 1995), operationalising and resisting savings. Those responses to austerity not visible to balance sheets remain among the most side-lined. A more grounded perspective is needed.

Others have observed such limitations. Responding to a perceived lack of focus on the process of making planned savings, writers have suggested a 'change management' approach to austerity management (Kardakis et al., 2014; Schmidt et al., 2017; van der Voet and Vermeeren, 2017). This would valuably return focus to the work of turning strategic choices into changes. In one sense, it provides a more detailed account of austerity management work.

Yet in another sense, it takes us full circle. The austerity management literature arose precisely because conventional public management theory made assumptions based on times of plenty which situations of decline belied. Change management epitomises such theory. In Schmidt et al's model, 'context' is an independent variable, which affects, but is not affected by, the changes actors pursue. Yet as is highlighted above, austerity's situations are not so stable. They are continually altered by people's responses to austerity; and are repeatedly reframed by the new information and structures austere organisations see. Austerity's 'context' is too dynamic and unstable to model this way.

Equally, change management mirrors assumptions from the studies it criticises. As the cutback management literature is guilty of assuming all responses to austerity are 'cutbacks', so 'change management' assumes all responses will be 'changes'. In fact, facing austerity's radical dynamism, maintaining stability may sometimes be one's object. Equally, Schmidt et al (2017, pp.1539–1540) are misguided to presuppose that managers necessarily support cutbacks; they may instead resist or be ambivalent towards them (Newman, 2014). Characterising austerity management as change management continues assumptions built in more prosperous times.

This review suggests an alternative conceptualisation of austerity management. This would necessarily avoid static typologies of savings approaches. Conceptualising austerity

management in terms of 'cutbacks', 'changes' or set 'austerity measures', one starts from presumptions about the type of work austerity management must involve. With our theory and our intuitions alike built during times of plenty, such assumptions are risky.

Instead, our approach must reflect in detail organisations' breadth of work in managing austerity. We cannot know that people manage austerity exclusively through cutbacks, changes or anything else. All we can know is that our object of interest is how people respond to austerity. It thus makes sense to conceptualise austerity management in those terms: as responses to a situation. This suggests detailed attention to that situation, and to the situated action of austerity management. Such a conceptualisation would have several intuitive advantages. It is common-sensical and minimises our ingoing assumptions. It would offer insights to as-yet neglected actors such as austerity 'envoys' and more junior staff (Williams, 2015).

Most importantly, it would resolve the core deficits in the current approach. The foregoing sections demonstrate that an insufficiently situated analysis inhibits our understanding of austerity managers' detailed activity. In turn, this obscures the elements of austerity management outside standard financial typologies and obscures the complexities of agency and conflict. Conceptualising austerity as responding to a situation would promote a more situated analysis that highlighted both grounded and nonfinancial activities including normative conflict. In so doing, it would answer a core question of the austerity management literature (Medir et al., 2017, p.624): through what practices do public organizations 'react...to these stressing situations' of austerity?

Such an approach would require careful theorisation. Its focus on situated action suggests a pragmatist analysis. Chapter 3 develops this suggestion, identifying an appropriate pragmatist framework for grounded analysis of austerity's uncertain, conflictual activities. Yet appreciating practices per se is insufficient. Chapter 4 recalls discursive work's importance to austerity, advocating close attention to language within our pragmatist frame. These contextualise the following Parts which operationalise this proposed conception of austerity management as situated action.

Chapter 3: Conceptualising austerity management: the regimes of engagement

Introduction

The previous chapter concluded by calling for a situated approach to austerity management. It hoped not just for any situated approach, but one with three further characteristics. First, it should address public organisations' normative pluralism, which austerity surfaces (Bozeman, 2010; Pandey, 2010). Second, it should recognise not only the importance of situated analysis *per se*, but also the instability and unpredictability characterising austere situations (Ferlie and Judge, 1981; Rubin, 1977). Third, it should recognise the importance of both language and materiality in shaping how such situations are perceived and equip us to analyse it. Such an approach would substantially advance our understanding of what managing austerity involves.

This chapter answers that call through an approach drawn from French pragmatist sociology. Thévenot (2001b) characterises situated action in terms of one's normative aims (*goods*). He contends that differing *goods* lead us to see the world differently, prompting different forms of agency – or ways of *engaging* with the world. These span the most personal and intimate to the most public action (Thévenot, 2007). Based on this distinction between the particular and the general, Thévenot divides *engagements* with the world into three *regimes*, each driven by the form of *good* to which it orients. Each *regime* offers a different way of acting and coordinating. These *regimes of engagement* form the crux of Thévenot's thinking.

Thévenot's framework addresses Chapter 2's threefold call. First, it is intrinsically pluralistic. Each *regime* entails a different type of *good*; and even within a *regime*, the specific *goods* people pursue will differ. While pursuit of a shared good enables coordination, clashes between *goods* remains possible. Boltanski and Thévenot's *On Justification* (2006) analyses disputes within *justification* (the *regime* dealing with publicly acceptable values). It has become central to attempts to understand normative organisational disputes, and is repeatedly recommended when addressing contentious situations, like austerity (Cloutier and Langley, 2013; Denis et al., 2007). To these clashes of common values, Thévenot (2014b) adds tensions between such principles and more proximate, intimate concerns. Austerity sees exactly such conflicts between abstract organisational goals and commitments to particular cared-for people (Clayton et al., 2015).

Second, Thévenot tracks this plurality of *goods* and associated patterns of action to situations' own inherent uncertainty. We constantly receive a startling array of sensory signals; simultaneously, we are unsure how the world – including other people – will respond to our actions. We gain confidence in this only through familiarity with an environment – like our

homes – or by learning the ‘*conventions*’ describing appropriate action in given situation types (Biggart and Beamish, 2003; Diaz-Bone, 2017). Such increased predictability mitigates the world’s otherwise debilitating uncertainty, facilitating coordination.

Third, as his focus on *goods* and *justification* imply, Thévenot captures organisational austerity’s turbulent normative pluralism. This befits a vision of austerity management in which erstwhile stable ways of seeing and measuring the world face increasing pressure (Rubin, 1977); and plural normativities compete (Patriotta et al., 2011) and compromise (Oldenhof et al., 2014). It enables a situated account of managing austere situations.

This review first explores traditional avenues for those seeking situated accounts of social phenomena, finding their limitations unacceptable. Second, it outlines RE. Three further sections develop the arguments above, while considering RE literature’s implications for austerity management. Finally, it identifies remaining weaknesses within RE, highlighting the need for a more thoroughgoing theorisation of discourse to capture organisational austerity.

Theorising situated action

Practice theory

Chapter 2 argues that a successful conception of austerity management will be more situated than earlier accounts. It will better account for austere situations’ instability, normative pluralism, and the intertwined relevance of discursive and material features in shaping them.

Practice theory is an obvious starting point when seeking situated analysis. Strongly associated with Bourdieu (1977), practice theory refuses to reduce the social to one core structure, like cognition, discourse or materiality. Instead, it emphasises the patterned confluence of diverse elements, including bodily performances, mental activity, understandings, discourse, emotions and circumstances (Jarzabkowski et al., 2007; Nicolini, 2009b; Reckwitz, 2002; Schatzki, 2010). Organisational writers have deployed it to illuminate topics as diverse as strategy (Whittington, 1996), management consultancy (Heusinkveld and Visscher, 2012) and hybridity (Denis et al., 2015).

Theories of practice offer many features this study seeks. They epitomise situated perspectives, acknowledging that local, situated work matters (Feldman and Orlikowski, 2011). While practice theorists focus on micro-level action, identifying ‘practices’ can demonstrate patterns present across settings (Jarzabkowski et al., 2007; Nicolini, 2009b). Going further, some explain identified practices in terms of higher-level social structures (Seidl and Whittington, 2014). Pragmatist approaches are necessary to identifying the grounded austerity

management work this study seeks; and can do so in manners amenable to linking national to organisational austerity.

Yet there are pitfalls to avoid. First, many pragmatist theories excessively emphasise routine (Reckwitz, 2002). Bourdieu heavily emphasises the ‘habitus’ or ‘sense of the game’ (Wacquant, 1989) which explains people’s situated action in terms of socially acquired habits which shape cognition. This is a strong, coercive concept which sees individuals enmeshed in networks of relationships in which ‘agents lastingly “bind” each other’ (Bourdieu, 1977, p.196). Such emphasis is ill-suited to situations of severe austerity, which destabilise such routines (Ferlie and Judge, 1981). Second, notwithstanding the diverse elements pragmatists theorise as comprising practices (e.g. Reckwitz, 2002), few adequately theorise their normative content. In addressing the pluralistic, high-profile struggles of austerity, such values will be vital.

Conventionalism, and the limitations of practice theory

Consequently, I turn to the work of Laurent Thévenot, one of several French pragmatists who shared these objections to traditional practice theory. Originally Bourdieu’s close colleagues, they latterly felt that the habitus’ deterministic overtones poorly accounted for people’s capacity to approach different situations differently. It homogenised human action, ‘short-circuit[ing]’ accounts of stability and insufficiently explaining change (Thévenot, 2001b). Relatedly, they contended that mainstream social science tended to reduce values to ‘social norms’, treating them more-or-less as mere habits. This erases their moral content and treats them as monolithic, ignoring the co-presence of multiple values (Boltanski and Thévenot, 2006).

Instead, such ‘conventionalist’ thinkers explained patterns in behaviour in terms of a plurality of shared agreements about how to conduct oneself (‘*conventions*’) in given situations. Unlike the unitary ‘habitus’, these were emphatically plural. People in a situation could choose between several *conventions*. Unlike those directed by the ‘habitus’, therefore, such people continually express agency through choices about which of several *conventions* to activate. If Bourdieu’s subjects possess a ‘sense of the game’ (Wacquant, 1989, p.42), conventionalist agents have a sense of the *games*.

This alternative account emerged from a detailed focus on individual situations. Thévenot and colleagues rejected Bourdieu’s increasing focus on totalising concepts like the ‘habitus’ or ‘field’. Yet they share his reaction against aggressively individualistic disciplines like traditional economics. Consequently, they took the *situation* as their unit of analysis. Doing so helps avoid

starting from either individuals or totalising concepts (Diaz-Bone, 2017). This '*pragmatist situationalism*' (Diaz-Bone, 2011, p.44) is central to conventionalist thought.

Conventionalism is mainly known to organisational scholars through Boltanski and Thévenot's *On Justification* (2006), and Boltanski and Chiapello's subsequent *New Spirit of Capitalism* (2005). The former developed the *economies of worth* (EW), a framework to analyse *justification*, the process by which people attribute moral *worth* to people or things by invoking the 'common good'. The latter operationalised this, arguing capitalism increasingly emphasised forms of *worth* associated with the so-called 'network society' (Stark, 2011). The framework has been used in domains relevant to austerity management, like public management (du Gay, 2013; West and Davis, 2011), insecurity (Ekman, 2013) and strategy (Gond et al., 2015; Gond, 2017).

It improves on approaches otherwise dominating analyses of organisational normativity. The institutional logics approach has long been a popular account of organisational values (Thornton and Ocasio, 2008). It asserts that institutions are built around 'logics' which describe appropriate action therein. Logics are therefore both produced by and constitutive of those institutions. The explanation is thus a meso-level one, based around a 'logic' associated with the institution itself. Conversely, EW explains normativity through micro-level *situations* in which actors invoke macro-level socially acceptable values. It has thus been credited with both better explaining normative disagreements' micro-processes and their relations to wider principles (Biggart and Beamish, 2003; Cloutier and Langley, 2013; Dansou and Langley, 2012).

Thévenot's subsequent work (2001b, 2007, 2009, 2013, 2014b, 2014a, forthcoming) has expanded on the *justification* analysed with Boltanski to consider wider social activity. Where *justification* is EW's sole focus, Thévenot's recent work places it within a wider framework: *justification* becomes one of several *regimes of engagement*. It is this encompassing framework this review examines.

This review argues that RE suits this study by analysing the key dimensions that Chapter 2 highlighted. First, further exposition of RE is required; the next section provides this. The following three advocate its appropriateness to this study by considering the issues Chapter 2 highlights: moral pluralism; situational uncertainty; materiality and discourse.

Regimes of engagement

Thévenot's (2001b) core model of social action rests on a dual realisation: i) action always pursues some aim, or *good*; but ii) that action's actual outcomes are necessarily uncertain. We

know what we're aiming for, but not how things will turn out. Consequently, argues Thévenot, our efforts are characterised by an ongoing tension between our aimed-for *goods* and the realities we encounter after acting. Accordingly, life adopts the character of a series of *tests*: we act, see how the world responds, compare it to the *good* sought and tweak our actions accordingly. Doing so *tests* our engagement with the world against the *good* that engagement sought. This framing can equally well describe our refining a welfare system to protect social equity and our rearranging the furniture to make ourselves comfortable in a new home.

However, there are clear differences between these two examples, not least the type of *good* sought. One pursues the common good, an aim most third parties would recognise as worthwhile. The other relates to creating personal comfort based on idiosyncratic preferences which strangers would struggle to truly understand. Both examples describe people *engaging* with the world seeking a *good* and *testing* their results. But they seek clearly contrasting *goods*.

Accordingly, Thévenot (2007) differentiates these contrasting ways of '*engaging with the world*' by describing three '*regimes of engagement*'. These he differentiates based on the type of *good* sought, and the corresponding action: is it public and general, like social equity, private and intimate, like homely comfort or somewhere therebetween, like a company's restructuring plans? The most general *goods* involve principles which appeal to the 'common good'; they are found in the *regime of justification*. Less general and abstract, the *regime of planning* seeks the satisfaction of a completed plan. More particular still, those seeking personal *ease* and habitual comfort operate in the *regime of familiarity*.

These *goods* do not exist in isolation. Instead, the *good* one pursues affects how one sees the world: we pick out what matters to that aim at the expense of that which does not (c.f. Goodwin, 1994). Pursuing different goods means using different objects and seeking different information about our surroundings. Between the way we see the situation, the objects and information formats we use, we '*format*' the situation differently depending on our aims. This alters further the reality we perceive. The *good* we pursue affects the reality we encounter.

This relationship is dialectical: certain environments more readily accommodate the pursuit of certain *goods*. When surrounded by project plans, it is easier to pursue success in a plan than create a sense of home comfort. Accordingly, certain *goods*, ways of accessing reality and ways of acting mutually cohere. These comprise Thévenot's *regimes*, and entail contrasting styles of action, driven by 'an orientation to some kind of good [and] a mode of access to reality' (Thévenot, 2001b). The following section examines each *regime* in more detail.

Planning, justification and familiarity

The *regime of planning* corresponds most closely to what is often considered the standard model of rational action. The *good* people pursue is fulfilling a 'plan'. This includes formalised plans favoured by professional project managers but also much smaller changes, like assembling a bookcase. Either way, pursuing a plan leads one to focus on elements of one's environment designed to help: the Gantt chart structuring one's project, or the screwdriver which assembles that bookcase. Accordingly, pursuing such aims is likely to involve surrounding ourselves with tools we use for their designed purpose.

Where others are also engaged in our plan, *planning* facilitates coordination. *Planning* appeals to goals which are 'conventionalised' in that they would be explicable to others. Action pursuing these goals follows shared 'rules of the game', or '*conventions*' (Thévenot, 2002a, p.2), enabling coordination with others. *Planning* deploys objects as 'functional instruments' according to their intended functional use, which others therefore understand. Because we use our Gantt charts as intended, suitably trained others could use them too. Consequently, where others share our aims, *planning* helps us see the world through similar eyes, facilitating coordination (Duymedjian and Rüling, 2010).

Nevertheless, people sometimes disagree about the right plan. To resolve such coordinative problems, one can appeal to something broader. *Justification* links things with the most legitimate and conventionalised *good*. Through association with *principles* conventionally associated with the 'common good', one can demonstrate something's value in a manner that transcends any one plan (Boltanski and Thévenot, 2006). These socially accepted *principles* are so firmly conventionalised as to be suitable to appeal to an abstract 'public'. While clashes between conflicting *principles* are possible (p.50), *justification* supports coordination through appeal to the most conventionalised *goods*.

Justification does not entail argument alone, but measurement using appropriate objects. 'Efficiency' is one accepted *principle*. Demonstrating something's *worth* through its 'efficiency' necessitates a socially authorised device to measure efficiency: say, a process map. Like the principles they measure, these objects support coordination by being sufficiently conventionalised to justify something's *worth* to an abstract 'public'.

The regime of *familiarity* moves in the opposite direction. It presents a mode of action oriented towards one's habitual *ease* and convenience (Thévenot, 2009, p.803). Seeking this, one engages with one's environment not as a series of tools to accomplish *plans*, or devices to measure public *worth*, but as 'lived-in' surroundings amenable to one's comfort. Objects are

not used as designed but refashioned through personal use: this is what differentiates a tarmacked road from a path worn by repeated journeys off the beaten track (Thévenot, 2002b).

Familiar activity is coordinated not through *plans* or other conventional devices but intimate, personal habits and associations. These might be wholly personal or shared with one's intimates. Either way, one can coordinate one's activities through practiced, situated behaviours one finds convenient. Notwithstanding this *regime's* more particular, esoteric aims, Thévenot (2001b) insists that one still seeks a *good*. That *good* enables coordination with one's surroundings and 'entourage'.

Each regime pursues a different type of *good*. Accordingly, it involves seeing one's surroundings differently, deploying different objects and exercising a different agency. Table 3.1 catalogues and elaborates the characteristics of the regimes observed so far.

Table 3.1 – *Regimes of engagement*

	Familiarity	Planning	Justification
Which good is engaged? With what evaluation?	Personal and local convenience, within a familiar milieu	Successful conventional action	Collective conventions of the common good
Which reality is engaged? With what capacity?	Usual and used surroundings providing a distributed capacity	Functional instrument	'Qualified' object
What is the format of relevant information?	Local and idiosyncratic perceptual clue	Ordinary semantics of action	Codification
Which kind of agency is construed	A personality attached to his or her entourage	Planner	'Qualified' person

Adapted from Thévenot (2001b, p.15)

An illustration

As I write this, I sit in an open-plan office for doctoral students. I see desks adorned with decorations, family pictures, posters and stuffed animals. Students have ensured favoured food and drink are to hand. Their desks feel 'lived-in' and others are reluctant to use them, not because doing so would be logistically problematic, but because it would feel intrusive. These spaces are not formatted as mere functional objects, but as these students' *familiar* 'homes' in the office.

Yet formally, such behaviour breaches the rules. Computers and desks are to be 'hotdesking workstations' for temporary use, not personal occupation. A standard procedure and usage

rules prescribe that one should occupy spaces only when working on a task and remove one's possessions when leaving for a few hours. Computers and desks are functional tools to help complete work *plans*, and some treat them thus.

Others vacate their desks on leaving, but not because of any rules: doing so is a longstanding point of principle. They might not treat the computers they use as merely functional and may not follow the letter of formal rules, but feel it is a collegial way to treat shared resources. Solidarity requires one share such resources. To these students, one's vacant desk is a measure of that solidarity. The state of one's desk becomes a question of what is *just*.

This illustration and the foregoing description of the *regimes* highlights the centrality to them of *goods* and corresponding measurement *objects*. The remainder of this exposition develops this observation, highlighting the *goods* involved in *justification*.

Objects and goods

The *regimes* are characterised by the type of *good* one seeks. Within *justification*, the identified *principles* describe the specific *goods* sought. Depending on our preferred *regime* and *good*, different elements of reality seem salient, and we see the same elements differently. For *justification*, a political tract is an emancipatory device; under *familiarity* we repurpose it as a doorstep. The *good* we seek shapes how we see the objects we encounter.

In turn, these objects influence our encounters with reality. They *format* our immediate environments, structuring how we see them. Gradually, objects become associated with the *regimes* and *principles* which they routinely support. Accordingly, environments full of 'functional instruments' become suggestive of the *plans* they help one pursue, while one's personal effects make a space feel 'homely', befitting personal *ease*. Objects in our environment shape how we see the situation, and consequently the *good* it feels appropriate to pursue. The *good* one seeks shapes how one uses objects; but equally, objects shape the *goods* one might pursue.

This process is particularly pronounced for *justification*. Demonstrating someone or something's worth in terms of a given *principle* requires evidence that they fulfil it. This requires an object capable of measuring this *worthy* characteristic. Such objects must be 'qualified' as accepted measurement devices (Boltanski and Thévenot, 2006; Thévenot, 1984). Because objects must be so established, the link between them and their associated *principles* becomes particularly strong.

This means that given *principles* and sets of *qualified objects* ‘go together’ particularly clearly. When those objects are present, one can easily measure the corresponding *worth*, and that *worth* feels *situationally* pertinent. Put simply, it starts to feel appropriate to evaluate things based on efficiency in a factory, but due process in a courtroom. These tightly associated constellations of objects and *principles* are known as *worlds* (Boltanski and Thévenot, 2006).

Table 3.2 describes seven such *worlds*. *On Justification* identified six *worlds*, based on extensive textual and field research. Since then, EW writers have frequently sought to identify new ones (Bernard-Rau et al., 2017; Jagd, 2011). Most credibly, Boltanski and Chiapello (2005) conjectured a ‘connectionist’ world characterising the ‘network’ society; and Thévenot and colleagues (2000; Moody and Thévenot, 2000) suggested a ‘green’ world based on environmental concerns. While both claims are plausible, this study encounters few environmental concerns, so only the ‘connectionist’ world is added to Boltanski and Thévenot’s (2006) original six.

Table 3.2 – *Economies of worth*

World	Market	Industrial	Civic	Domestic	Inspired	Fame	Connectionist*
Worth	Price, cost	Technical efficiency	Collective welfare	Esteem	Singularity, creativity	Renown	Connection, flexibility
Test	Market competitiveness	Competence, reliability	Equality, solidarity	Trustworthiness	Passion	Popularity, recognition	Movement to next project
Qualified objects	Freely circulating goods/services	Infrastructure, project, technical object, method, plan	Rules, regulations, rights, welfare	Patrimony, locale, heritage	Emotionally invested body/item	Sign, media	Project, networks
Qualified subjects	Customers, merchants	Engineers, professionals, experts	Equal citizens, unions	Authorities	Creatives, artists	Celebrities	High-social-capital, adaptable

Source: Adapted from Gond et al (2015); originally developed from Boltanski and Thévenot (2006), *Boltanski and Chiapello (2005)

These *justificatory principles* represent one *regime of engagement*. While often analysed alone, this thesis emphasises their embeddedness within RE more widely. Figure 3.1 illustrates the relationship between the *regimes* and the forms of engagement therein, including these *worlds*.

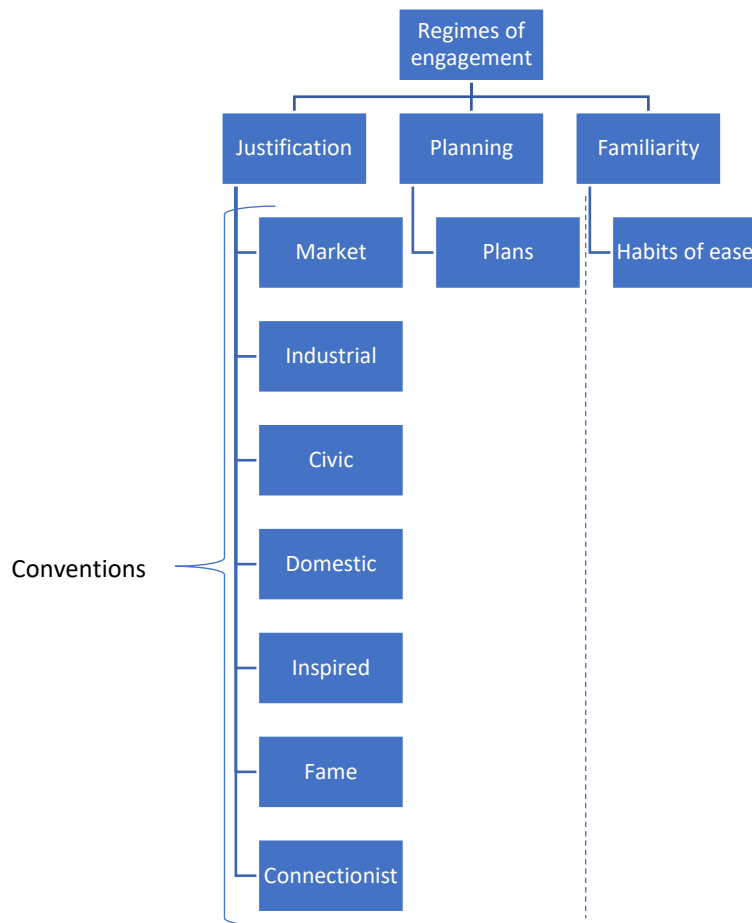


Figure 3.1 – Regimes of engagement (incorporating economies of worth)

Two types of moral pluralism

The previous section outlined RE to facilitate the argument that follows. While continuing to review RE literature, the following three sections argue that RE fits the bill Chapter 2 described. It facilitates analysis of moral pluralism, situational uncertainty and accommodates materiality alongside discourse.

The multiple *worlds* highlighted above emphasise one way conventionalists like Thévenot (2001a) deviate from their predecessors: replacing totalising concepts with plural *conventions*. Such conventions' coexistence assures agency by opening choices between several viable modes of coordination. Accordingly, multiple conventions commonly coexist, compete and combine (Cloutier et al., 2017). This led Denis et al (2007, p.181) to recommend conventionalist analysis to those studying normatively pluralistic organisations 'such as hospitals'. Since their suggestion, austerity has only made this pluralism more important, casting professional and managerial-financial evaluations into greater conflict. This section examines RE's approach to moral pluralism.

Plural worths

Conflict

Moral disputes are most obvious in the *regime of justification*. It hosts plural principles associated with the common good. Boltanski and Thévenot (2006) theorise disputes between these *worlds*. Such disputes arise when a *test of worth* occurs: when someone or something's moral value is to be determined. Justifications avow or decry that worth by linking the object of valuation with the common good via socially authorised *principles* and associated 'qualified objects'.

Management consultants might evaluate a hospital department's worth by assessing its efficiency (*industrial* principle) using 'statistical process control' (SPC) charts. This would be possible if consultants were recognised as authoritative evaluators of efficiency, and SPC charts appropriate devices to measure it. In EW's terms, *qualified subjects* (the consultants) would be *testing* the department (the assessment) using *qualified objects* (the charts). Different subjects and objects fit different *principles*: our consultants are less apt to test compliance with *civic* social justice.

Such *tests* can face two types of *critique*. First, they may be criticised because the right test was misapplied. In preparing their charts, our consultants may have made calculation errors or considered factors irrelevant to efficiency. Second, *tests* may be attacked for invoking the 'wrong' *world*: a nurse might argue the department's worth should never have been tested based on efficiency. Such critiques sometimes succeed, but not always.

Recent EW research has focused on how people increase their chances of prevailing during such disputes. In suggesting this focus, Jagd (2011) labelled such activities 'justification work'. Writers have investigated how disputants mix justifications from several worlds to craft (Patriotta et al., 2011; Demers and Gond, 2019; McNerney, 2008; Moody and Thévenot, 2000) or maintain justifications (Dansou and Langley, 2012; Oldenhof et al., 2014). More recently, writers have emphasised disputes' processuality, observing how different worlds are invoked at different times (Cloutier and Langley, 2013; Dionne et al., 2019; Gilbert et al., 2017; Nyberg et al., 2017) and how such efforts interact with power (Gond et al., 2016).

Compromise

Nevertheless, disputes may not be resolved by one side prevailing. Instead, Boltanski and Thévenot describe 'compromises' formed by combining otherwise contradictory *principles* to evaluate someone or something. Our nurse and management consultants might agree the

department should be evaluated according to both efficiency and attention to individual patient care.

However, *principles* are ultimately mutually inconsistent. Specifying a compromise too precisely risks surfacing such internal contradictions, making it collapse. Conversely, compromises gain robustness when materialised in objects (Boltanski and Thévenot, 2006; Thévenot, 1984), making them comparatively stable. Using a 'balanced scorecard' might help stabilise our nurse and consultants' compromise. Thévenot (2001a) characterises organisations themselves as compromises between industrial and market values.

'Justification work' scholars often focus on how compromises are made and altered. Some examine the 'negotiation'-like processes forming them (Patriotta et al., 2011), and the techniques which maintain them, like rhetorically re-emphasising a given *world* (Oldenhof et al., 2014). Others ask why compromises fail to materialise (Huault and Rainelli-Weiss, 2011); or why they change (Anesa et al., 2017). Within a given policy area, multiple such compromises are formed and adjusted (Lemasson, 2017).

Others investigate the varied relations between plural values within compromises (Thacher and Rein, 2004). Nyberg and Wright's (2012) typology differentiates compromises based on the number and type of practices justified, and whether one *world* clearly predominates. Reinecke et al (2017) take a broader view, focusing on the diverse ways values are combined. Most originally, they identify 'niche legitimacy', the practice of crafting agreement between people with differing *principles* by defining against a third *principle* both reject. Such research demonstrates EW's promise in examining pluralistic values.

Plural regimes

This EW literature considers only *justification*. Important as conflicts between *justification's* abstract *goods* remain, Thévenot recognises that they are only one type of normative conflict. Because plural *regimes* govern behaviour, tensions can also exist between them (Thévenot, 2007). Such tensions contrast *goods* of different levels of generality pursued by different *regimes*. In healthcare organisations, these tensions are as important as *justificatory* ones: as finances tighten, conflicts between generalised goods (financial plans) and particular ones (my patient) become obvious.

The organisational literature attends to such conflicts much less than their *justificatory* counterparts. Nevertheless, many dynamics found among *worlds* are also identified between *regimes*. As Patriotta et al (2011) find 'negotiation' among *worlds*, so Gajdoš and Rapošová

(2018) see negotiation between *regimes*. As Thévenot casts the organisation as a market-industrial compromise, so Pohler (forthcoming; Pohler and Van Elk, 2018) explores organisations' compromises between the general and particular.

Alongside tracing such disputes' dynamics, writers investigate coercive mechanisms by which regimes gain precedence. They often draw on Thévenot's more recent work (2013, 2014b) which investigates how people understand the value of *plans* or *familiar* affinities they do not share. Meilvang et al (2018), Meriluoto (2018) and Thévenot (forthcoming) analyse the mechanisms used in public participation events. Each identifies how such participants become interpellated into a mode of engagement associated with *planning*, obstructing variously *familiar* concerns rooted in personal affinities, and those seeking *justice* (c.f. Breviglieri, 2018).

Notwithstanding this literature's lesser development than EW in organisation studies, it is prescient for organisations facing austerity. Thévenot's framework theorises not only conflicts between general principles but also those between abstract *plans* or *principles* and *familiar*, locally rooted concerns. It enables the analysis of normative plurality which Chapter 2 demands.

Situations, uncertainty and crisis

It also appreciates the situational uncertainty characterising austerity. Indeed, Thévenot attributes the plurality of *regimes* and *conventions* to situations' radical uncertainty. As explained above, our lack of knowledge about how one another or our environments will respond to our actions creates a 'natural uncertainty' (Thévenot, 2002a). Thévenot's *regimes* each attempt to reduce this uncertainty: *familiarity* through esoteric, local arrangements facilitating one's *ease*; other regimes through *conventional* agreements that support coordination.

These *regimes* help narrow the world's complexity by selecting which features thereof are most relevant. With particular *engagements* associated with particular situations, sensory clues about our situation help us determine the types of interventions likely to receive useful responses from the world. During *planning* and *justification*, which both involve *conventional* action, the fact such *conventions* are shared also makes predicting others' action easier. Seeing our *situation*, and knowing what *conventions* are usually deemed appropriate thereto, we know others are probably similarly guided by those *conventions*. Their responses to us become more predictable, reducing our uncertainty (Biggart and Beamish, 2003; Thévenot, 2002a). Action through Thévenot's *regimes* aims to manage uncertainty.

Accordingly, they are what stand between us and uncertainty's return. Dissensus on the convention to use during coordination risks what Thévenot (2002a; c.f. Boltanski, 2013) calls 'critical uncertainty'. Coordination becomes impossible, and the situation is thrown into question.

Austerity and crisis

Thévenot thus enables us to theorise coordinative problems caused by the decay of conventional understandings of a situation, and a lack of reliable expectations about how others will act. Regrettably, such an account is apt when considering austerity. The budgeting routines Ferlie and Judge (1981) cast as destabilised are *conventions* coming under strain. In a time of uncertainty (Rubin, 1977) and dissensus (McCann, 2013), Thévenot's analysis is prescient.

While Thévenot's writing has not been brought into conversation with austerity management literature, conventionalists have investigated scarcity and comparable crises. Some conceptualise the 2008 financial crash of and governments' responses as a 'crisis in valuation' (Boltanski et al., 2015, p.76) which challenges capitalism's justificatory infrastructure (Davies, 2014; du Gay and Morgan, 2013), enabling revised conventions. For these writers, such crises represent moments of potential critique (Boland, 2013). This account might expect organisational austerity to feature opportunities to replace erstwhile stable organisational conventions.

Conversely, others observe that crises can suppress critique. Organisations facing crises experience existential uncertainty, thus requiring more guarantees in the form of data (Breviglieri, 2018). This entrenches the ways of seeing themselves that such data formats encode (Espeland and Stevens, 1998), curtailing critique (Breviglieri, 2018). Fuller (2017, p.754) describes a council's leadership creating 'new discursive institutions' to justify austerity and 'subordinate' opposition. Livne's (2014) account of an American hospice facing austerity similarly notes that economically-driven decisions became cast as moral choices in patients' best interests. These cases suggest crisis prompts not fresh critique, but new conventions to satisfy dominant interests.

RE's situated theorisation of organisational life accounts for austerity's uncertainty and instability. Existing research suggests tentative expectations about austere organisations. While the paragraphs above point variously toward new critiques and entrenchments of dominant practices, they share an observation: in crises, existing conventions no longer seem to suffice. RE seems insightful when analysing austerity's uncertain situation.

Materiality and discourse

Accounting for moral pluralism and situational uncertainty, RE fulfils two of Chapter 2's criteria. The third required a framework accommodating both materiality and discourse.

Writers often note that RE/EW emphasise materiality (Cloutier and Langley, 2013). Thévenot (2007) stress that our interactions with the world depend on our material surroundings' responses. Moreover, we frequently use objects to format those surroundings (Thévenot, 2002b) and measure those engagements' success. Their materiality enables this by making them seem reliable and enduring (1984, 2002a, forthcoming). Material objects are central to engagements and their evaluation.

A study of healthcare austerity should welcome this emphasis. As austerity management writers observe, austerity often sees new measurement objects to monitor financial performance (Levine, 1978). Meanwhile, healthcare deals with bodies whose insistent physicality can transcend administrative concerns (Williams, 2006). A focus on objects – documentary and corporeal – supports this work.

Yet RE and EW's emphasis on materiality has precipitated an excessive reluctance to consider discourse. Boltanski and Chiapello's (2005) implementation of EW utilised a form of content analysis based around 'dictionaries' of words associated with each *world*. While comparable methods inspire some important works (Patriotta et al., 2011; Richards et al., 2017), they also precipitated an excessive focus in early organisational EW on identifying the *worlds* in passages of text at the expense of EW's wider theory. Such approaches have given linguistically focused EW a bad name, with key figures cautioning against excessively 'rhetorical' approaches (Gond et al., 2015) that forget materiality. Yet such warranted warnings should not rule out linguistic analysis altogether. Dialogue is vital to RE/EW (Gond and Leca, 2012, pp.30–33). Yet readers of today's organisational literature could be forgiven for getting the impression that Thévenot and Boltanski disavowed language altogether.

In fact, Boltanski and Thévenot are far from hostile to detailed language analysis. The project initiating this stream of Thévenot's work (1984) analysed objects alongside how they were 'defined' and 'codified'. In analysing *tests*' outcomes, Boltanski and Thévenot (2006) highlight the importance of how situations are 'report[ed]', even casting the idea of a 'pure' situation distinct from any report as incoherent. Indeed, Thévenot explicitly demands greater detailed analysis of language (Moody and Thévenot, 2000). RE requires both material and discursive analysis.

Both Thévenot (2001b, 2007, 2014a) and Boltanski (2011) have theorised how differing *regimes* influence one's language. For Thévenot, *justification* entails abstract language suited to its high generality. The more quotidian *planning* accordingly draws on more 'everyday' language. But even everyday terms rely on categories too general for *familiarity*'s esoteric referents: instead, indexical language and gestures become common (Gajdoš and Rapošová, 2018).

Nevertheless, linguistic EW/RE analysis remains scant (Cloutier et al., 2017). Where writers do focus on language, discursive methods' sometime tendency to cast society as discursively determined (Alvesson and Kärreman, 2000b) and Boltanski's emphasis on social 'domination' have proved a heady mix. Discursive analysis characteristically locates itself in a Boltanskian EW (e.g. Chiapello and Fairclough, 2002), and emphasises macro-social contexts, institutionalisation and 'domination' (Boltanski, 2011, 2013; Boltanski et al., 2015; Boltanski and Chiapello, 2005). Such accounts interpret situations as echoes of wider social structures or 'neoliberal political regime[s]' (Nyberg et al., 2017; Fuller, 2017). This threatens to return to the totalising 'macro-social skeleton' (Thévenot, 2014a; Boltanski and Thévenot, 2000) from which conventionalism fled (Diaz-Bone, 2017).

Where such pitfalls are avoided, language analysis remains limited in its scope. Some offer approaches which categorise extracts of talk in terms of the *regimes* or *worlds* they invoke (Diaz-Bone, 2013; Gajdoš and Rapošová, 2018; Ylä-Anttila and Luhtakallio, 2016). Such approaches can be valuable but say little about *how* selected *regimes/worlds* are activated, and less about how language shapes the *situations* hosting such disputes. Not even those espousing interest in discursive practices tend to analyse language in detail (Taupin, 2012).

Others delve deeper, investigating the discursive construction of *worlds*. Diaz-Bone (2017) suggests a Foucauldian approach to understand *worlds*' latent categories. Meanwhile, Chiapello and Fairclough (2002) deploy CDA to explore how a management text constructs the 'connectionist' world (Boltanski and Chiapello, 2005). While insightful, such work emphasises the construction of *worlds* themselves, not *situations*.

RE's emphasis on materiality, and particularly objects' role in measurement, suits this study well. Yet the study's interest in discourse is far from ruled out, Thévenot himself calling for detailed linguistic analysis. That RE/EW's theorisation of language remains limited is not a theoretical problem, but an opportunity to theoretically develop the framework. With RE open to further linguistic analysis, combining it with an appropriate discursive approach is a viable next step.

Conclusion

We began this chapter seeking an analytic framework which enabled a situated account of austerity management that adequately attended to the situation's uncertainty and normative pluralism while theorising both discursive and material influences. We end this chapter having almost found it.

RE broadly befits the goals Chapter 2 described. First, it accounts for healthcare austerity's normative pluralism (Denis et al., 2007). RE is peculiarly aware of the normativity of all action, and the multiple *goods* people seek are central to its theorisation. This will facilitate analysis of both *justificatory* and wider disagreements within organisations.

Second, RE addresses austerity's uncertain, unstable situation. It has been cast as a '*pragmatic situationalism*' (Diaz-Bone, 2011, p.44; emphasis original) because it takes the 'situation' as its unit of analysis. *Regimes* exist to address the world's 'natural uncertainty'. *Familiar, planned* or *justificatory* engagements can temporarily allay this uncertainty, but its return always remains a risk. This is an apt theorisation for a situation in which disruption threatens conventional routines (Ferlie and Judge, 1981).

Third, RE offers a detailed infrastructure to analyse the objects important under austerity and is compatible with detailed language analysis. It focuses on measurement devices of the sort which austerity proliferates (Oakes and Oakes, 2016; Power, 1999). Yet simultaneously it asserts language's importance through the 'reports' it highlights and its interest in linguistic differences between regimes. It enables the material and discursive analysis this study requires.

The suggestion here is not that RE is perfect. Some might worry its being conceptually based on the situation makes it difficult to uncover anything important; though works like *The New Spirit of Capitalism* (Boltanski and Chiapello, 2006) should mitigate such attacks. More substantively, RE leaves a lot to do to adequately theorise language. But this work is merited if it enables such language-analytic resources to be used alongside a framework otherwise so well adapted to this study. RE offers the normative pluralism, sensitivity to uncertainty and analysis of materiality Chapter 2 demands, while remaining open to linguistic analysis.

Nevertheless, the RE and austerity management literatures are yet to be brought into conversation. Livne's (2014) study considers financial scarcity but is rooted solely in RE. Writers at the edge of the austerity management literature have invoked RE, but do so to identify and

critique methods of subordination, not analyse austerity management writ large (Fuller, 2017; Fuller and West, 2017). This thesis will provide the first such rounded analysis.

RE suits this study but requires further theorisation of language. It is this task which Chapter 4 addresses.

Chapter 4: Discourse and the management of austerity

Introduction

The previous chapter concluded that this study would benefit from a framework for discursive analysis compatible with RE. This requirement was motivated by discourse' importance for austerity management, and particularly for how austere situations are shaped. This chapter elaborates discourse's importance and assesses the right discursive approach for this study.

Language matters to organisational life. From texts (Cooren, 2004; Vaara et al., 2010) to strategies (Kaplan, 2008, 2011) and policy decisions (Tonkiss and Skelcher, 2015), studies repeatedly highlight how language shapes organisations. Studies of institutional change frequently emphasise its linguistic components (e.g. Lawrence and Suddaby, 2006; Maguire and Hardy, 2009; Suddaby and Greenwood, 2005). 'Discourse' – or meaning-making – has only grown more important, communicators becoming increasingly adept at using language purposively (Fairclough, 1995). Empirical studies demonstrate how linguistic choices affect organisational and national policy processes and outcomes (Jones and Exworthy, 2015; Z. Morris, 2016). Discourse is pertinent to studying organisational phenomena.

Yet if discourse usually matters, it is central under austerity. Contrasting representations of the austere situation help austerity's supporters and opponents advocate different policy responses (McCann, 2013). These attribute blame for the 'crisis' (O'Flynn et al., 2014) and are interwoven with discourses which entrench austerity's economistic logics (O'Brien, 2013; Dowling and Harvie, 2014). Austerity represents an intense, contested discursive environment.

This has direct implications for public managers. They are among those official discourses blame for the financial crash (Bach, 2016; McCann, 2013). Public and political rhetoric plays into resource allocation (Oberlander et al., 2012), and legitimates other organisational policies (Fuller, 2017). There are good reasons to think austerity's discursive environment affects managers.

Nevertheless, discursive research on austerity habitually remains above the organisational level. That which does delve down into organisations (e.g. Davies and Thompson, 2016; Fuller and West, 2017) avoids the complexities surrounding how discourse intertwines with austerity management more widely. When discussing the actions of austerity's managers, such accounts underexplore the discursive and material constraints such managers face. We are left guessing how austerity discourse plays into austerity management.

Consequently, this chapter seeks an appropriate discursive approach to analyse austerity management alongside RE. Based on prior efforts' limitations, the nature of austerity and RE's theoretical commitments, it develops three criteria for a useful discursive approach: it should integrate discourse with materiality in a practice-based framework (Thévenot, 2001b); provide insight into how language shapes RE's 'situations' (Diaz-Bone, 2011) and recognise both austerity managers' agency and the constraints they face.

To answer these requirements, this chapter turns to CDA. This approach conceptualises discourse as one social practice among many (Fairclough, 2015), integrating materiality and discourse. Its dialectical model of situational and textual interpretation explains how language shapes situations. Its account of competent agents drawing on plural discourses mirrors RE's model of plural regimes and conventions (Chiapello and Fairclough, 2002). It thus meets our three requirements.

This chapter reviews arguments for a discursive approach, first generally, then under austerity. The latter reveals a paucity of appropriate research on organisational austerity discourse, reinforcing the need for this study's discursive approach. Accordingly, the penultimate section introduces and advocates CDA. The chapter concludes by uniting RE and CDA in a pragmatic approach.

The need for a discursive approach

Analysts increasingly recognise language's importance to organisations. Studies highlight its influence from individual presentations (Berglund and Werr, 2000) to organisational and national policy (Jones and Exworthy, 2015; Z. Morris, 2016; Tonkiss and Skelcher, 2015). Some even attribute agency to texts themselves (Cooren, 2004). Regardless whether one accepts that contention, organisational texts and talk are certainly influential (Bloomfield and Danieli, 1995; Bloomfield and Vurdubakis, 1994; Fayard and Metiu, 2012; Vaara et al., 2010). Discourse remains important across organisational contexts (Fairclough, 2015, pp.7–8).

There is evidence discourse is influential in contexts comparable to austerity. For instance, austerity constitutes a major change (Schmidt et al., 2017), and studies indicate linguistic work can legitimate major changes (Battilana et al., 2009; Hardy and Maguire, 2010; Newman and Vidler, 2006; Suddaby and Greenwood, 2005; Vaara and Tienari, 2008). Austerity can reshape institutions (Lowndes and McCaughie, 2013), while studies often explain institutional change using linguistic methods (Green et al., 2009; Lawrence and Suddaby, 2006; Maguire and Hardy, 2009). Linguistic methods have proved productive in contexts similar to austerity.

Discourse analytic techniques have also grown important to studies of strategic dilemmas like those austerity poses (Knights and Morgan, 1991; Phillips et al., 2007). Vaara and colleagues describe the discursive techniques deployed within strategy processes (Vaara and Tienari, 2004, 2008, Vaara et al., 2004, 2006). For instance, Vaara et al (2010) describe the influence of a strategy text on a city's strategising, while Mantere and Vaara (2008) identify the discursive practices which promote and prevent participation in strategy. Others emphasise how strategic texts and discussions influence perceptions of the situation and therefore strategic outcomes (Bloomfield and Danieli, 1995; Bloomfield and Vurdubakis, 1994; Jones and Exworthy, 2015; Kaplan, 2008, 2011). Strategic dilemmas like austerity may be discursively shaped.

This importance of discourse continues to grow. Towards the turn of the century, Fairclough (1995) described 'the technologisation of discourse': actors' increasing expertise about discourse enabled them to use it as a tool of influence,. Since then, this trend has increased. Pollitt's (2013, p.915) study of four decades of UK Government management reform documents sees them turn progressively more promotional: 'glossier', 'sometimes almost evangelical'. Policy documents are increasingly written and designed to achieve persuasive goals. This is affirmed by differences in how policy actors explain their platforms to different audiences (O'Neill, 2012; Fairclough and Fairclough, 2011, 2012). As discursive work becomes increasingly deliberate, its analysis grows ever-more prescient.

Austerity makes this growing importance patent. Zachary Morris (2016) argues that it is difficult to explain international differences in austerity policies without considering the discursive drivers legitimating those changes (Clarke and Newman, 2012). Meanwhile, while one might experience some consequences of austerity oneself, it is an immense, sprawling situation with myriad local, global, social and macroeconomic dimensions. Thus 'austerity', understood holistically is a primarily 'textually mediated' situation: one understood through texts. This leaves austerity managers relying on discursive cues to understand their organisations' situation (Jick and Murray, 1982); and citizens liable to persuasion by competing 'frames' of austerity (McCann, 2013; Tonkiss and Skelcher, 2015). Austerity emerges as i) a landscape of intense, discursive conflict; and ii) a situation in which managers rely heavily on discursive cues to understand their situations. Understanding austerity management entails understanding austerity discourse.

Austerity discourse

Austerity discourse is a fruitful and consequently well-trodden research avenue. Research has focused on justificatory discourses associated with the financial crash (Riaz et al., 2011; Whittle and Mueller, 2012) and debates about the formation and legitimization of subsequent policy (L. Morris, 2016). Austerity discourse's organisational implications (Fuller and West, 2017) have been analysed much less. This section analyses first the national then the more limited organisational austerity discourse literatures.

National austerity discourse

Studies of national austerity discourse emphasise the ways the financial crisis was represented and explained (Dinerstein et al., 2014; McCann, 2013). 'Official' discourse emanating from governmental and allied sources has been characterised as protecting government from blame (Hood et al., 2016; Masters and 'T Hart, 2012) while holding supposedly profligate societies and individuals responsible (Bramall, 2013, p.105; De Benedictis, 2012; Mitrea and Jackson, 2015; O'Flynn et al., 2014). Some even argue that conceiving of the period as a financial 'crisis' is ideologically loaded because 'crises' legitimise severe responses, like austerity (Clarke, 2010; Clarke and Newman, 2010, 2012) while constructing disciplining, precarious environments for public servants (Doogan, 2011). Writing thus critiques national austerity discourse in how it presents the 'financial crisis'.

National discourse also shapes the situation of austerity itself. Financial scarcity can be constructed in multiple ways, of which 'austerity' is only one (Light and Hughes, 2001). Bramall's (2013, pp.7–15) detailed history of 'austerity' tracks it from its early anti-consumption environmentalist use to its fiscal deployment. Bramall notes that the term retains its earlier incarnation's anti-consumerist appeal (pp.26-31) while legitimating narratives of self-reliance by invoking post-war 'austerity', (Bramall, 2013, pp.101-04; L. Morris, 2016). Nevertheless, observes Bramall, austerity's opponents rapidly reclaimed the term for critique, even appropriating its wartime aesthetic through protests like 'anti-austerity street parties'.

Changing decision-making styles accompanied these altered pictures of austerity and the crash. Studies frequently emphasise the increasingly economic decisions which austerity discourses enable (Newman and Clarke, 2014). O'Brien (2013) describes how this type of economism shaped post-crisis public spending decisions about sport. Dowling and Harvie (2014) cast economic policy instruments as legitimised as remedies for a financial crisis. While such values have long histories (Blyth, 2013; Lakoff, 2013), evidence suggests that representations of the crisis helped make them seem appropriate to the present.

Nations, individuals and organisations

This literature has four implications for public servants and organisations. First, public servants remain members of the polity which national austerity discourse targets. This increasingly pervasive political discourse (Fairclough, 1995) may successfully influence resource allocation decisions (Oberlander et al., 2012). Alternatively, a polity which Clarke (2010, p.351) argues offers only 'grudging' or 'disaffected' consent may be less favourably influenced. The outcomes of this discursive struggle will shape austerity management.

Second, public organisations facing uncertainty seek signals about future policy, including in policy discourse (Bacchi, 2000). Public organisations try to anticipate otherwise overwhelming timetables by foreseeing government demands or emphases. Through this channel they may be affected even by political rhetoric with which they vehemently disagree.

Third, public servants and organisations are often austerity discourse's topic. Governments have blamed public sector workers for the crisis (Clarke and Newman, 2012; Fuller and West, 2017), while materially 'deprivileg[ing]' them (Bach, 2016). Such logics may bleed into organisations, precipitating decreasing support for staff (Glaser, 2014; Lewis et al., 2017). Alternatively, public servants may engage in blame-limitation, even perpetuating 'crisis' narratives to excuse poor performance (Bar-Lev and Vitner, 2012). Either way, public servants are implicated in austerity discourse.

Finally, public services support those 'dependency' austerity discourse vilifies. Patients (Mitrea and Jackson, 2015) and other service users (De Benedictis, 2012; Dinerstein et al., 2014; L. Morris, 2016; O'Flynn et al., 2014) are cast as responsible for excessive public spending, supposedly causing the crisis. If austerity discourse successfully casts such people as undeserving, this may shape public servants' formal or frontline rationing (Griffiths, 2001).

Chapter 2 argued that discourse is pertinent to austerity management (p.31). The foregoing paragraphs add four reasons to believe that national austerity discourse matters when studying organisational austerity. One might therefore expect to find a breadth of studies considering how discourse shapes organisational austerity management.

Austerity and organisational discourse

Yet little literature engages with austerity discourse within public organisations. Those who do describe narratives of inevitability (Davies and Thompson, 2016), alongside disputes (Newman, 2014) and the local mobilisation of national discourses (Fuller and West, 2017). Yet these insights are framed outside the wider austerity management literature. Some treat 'austerity'

as simply one of several discourses drawn upon in cases analysed through another lens (MacKillop, 2014). Others focus on how opponents may successfully resist austerity (Newman, 2012, 2013, 2014) or heavily stress austerity's discursive dimension (Fuller, 2017). None balance their focus on discourse with an equally robust emplacement in the austerity management literature.

One might be tempted to simply conduct a study like those cited above but more closely engaged with austerity management. This would be a mistake. The lack of attention to non-discursive elements of austerity management springs from their generally poststructuralist outlook. This entails a 'muscular' vision of discourse (Alvesson and Kärreman, 2000b): one in which discourse starts to encompass other elements of the social like reality and cognition. They represent the philosophically-minded tradition Grant and Iedema (2005) call 'organizational discourse studies' (ODS) to signal its pre-empirical commitment to discourse's importance. This explains the under-emphasis on austerity's real, material constraints found in the papers cited above (Davies and Thompson, 2016; Fuller, 2017). Their limitation is not simply down to their focus: but springs from the theoretical assumptions they make.

The first, most obvious problem here is that such approaches limit our understanding of materiality. Yet two further problems follow. Second, such approaches also limit our insight into how situations are discursively constructed. Because they take discourse as so all-encompassing, less analysis seems necessary to demonstrate how language influences beliefs or situations. This produces analyses with less nuanced accounts of how and why such influence occurs and produces less supporting linguistic evidence. In a discursively complex situation like austerity, our approach must better enable detailed linguistic analysis of how situations are formed.

Third, such analyses impoverish people's agency. Their 'muscularity' leaves little space between discursive 'logics' and people's cognition, presupposing that one shapes the other (Alvesson and Kärreman, 2000b, pp.1130–1131). But empirically assessing whether austerity's discourses do shape beliefs necessitates clearly distinguishing the two. Without doing so, poststructuralist accounts tend to present some agents as free to select their discursive 'logics' and others as curtailed by them, without accounting for the difference. This often produces an account in which organisational managers become potent villains, able to reject national 'austrian realism' should they only try, while their subordinates are in thrall to their managerialist logics. To avoid this, we need a discursive approach that adequately accommodates agency while recognising the potential for persuasion.

The foregoing paragraphs imply three criteria for an appropriate discursive approach. A discourse analysis compatible with Thévenot will fit them. One compatible with his materialist pragmatism will necessarily integrate discourse with materiality. One engaged with 'pragmatic situationalism' (Diaz-Bone, 2011, p.44) should enable discursive analysis of situation construction. And one coherent with conventionalists' competent, pluralist actors must enable nuanced analysis of agency (Dansou and Langley, 2012). A discursive approach compatible with Thévenot is a discursive approach suited to analysing austerity.

Critical Discourse Analysis

Accordingly, we need further analysis of austerity discourse in organisations, through a more productive framework. Chapter 3 noted discursive accounts' rarity within conventionalist writing. This section briefly reviews those which have been developed, using them as a springboard to advocate CDA.

Conventionalist writers adopt two broad approaches to discourse analysis. Diaz-Bone (2013, 2017) develops a Foucauldian conventionalism, justifying this by associating 'conventions' themselves with the deep structures of meaning Foucault investigated. While this is compelling, Diaz-Bone (2013, p.49) himself observes that Foucault's conceptual infrastructure can be too grand for conventionalism's situated perspective. This is manageable when investigating the deep structures of macro-level 'worlds' themselves (Diaz-Bone, 2017) but becomes more problematic when wishing to analyse specific organisational situations.

Meanwhile, Chiapello and Fairclough (2002) recommend combining CDA with EW, analysing a single text to demonstrate the combination. They ask how the connectionist world is textually constructed, consequently emphasising microlinguistic detail. More recently, Nyberg and colleagues (Nyberg and Wright, 2012; Nyberg et al., 2017) use a higher-level CDA. Eschewing microlinguistic analyses, they take people's meanings more-or-less as given and consider their implications for relations between values or for the 'neoliberal regime'.

CDA comes in many forms. This study does not seek to demonstrate how a world is 'made', so Chiapello and Fairclough's consistently microlinguistic approach is unnecessary; yet Nyberg and colleagues' high-level application risks omitting what makes CDA incisive (Antaki et al., 2003). Neither form of CDA suits this study.

Nevertheless, CDA's compatibility with RE is established, and it enables detailed linguistic analysis within a wider multi-level social science framework (Fairclough, 2015; Merkl-Davies and Koller, 2012; Vaara and Tienari, 2008). While this study needs a different version of CDA, it

is a promising discourse analytic framework. The following three sections test CDA against the three criteria the previous subsection derives.

Practice, materiality and discourse

This study needs an account of discourse whose compatibility with Thévenot's material pragmatism enables it to account for materiality (Phillips and Oswick, 2012). CDA is practice-oriented and well established within organisational discourse analysis (Mautner, 2016; Brookes and Harvey, 2016). Norman Fairclough (2000, 2015) – perhaps CDA's key advocate – characterises it as a theory of social practice, in which discursive practices relate dialectically to other practices (Fairclough et al., 2002). Unlike some discourse analytic approaches, CDA neither 'swallows' nor side-lines materiality.

Materiality is integrated into CDA through a moderately 'muscular' (Alvesson and Kärreman, 2000b) account of discourse in which discourse is distinct from but interwoven with other social activity. CDA makes no presumption that language uncomplicatedly constructs reality. Rather, it couples a realist ontology with an awareness that we often perceive that real world partially or entirely through language (Hardy and Clegg, 2006, pp.765–766). Consequently, discursive representation matters without possessing innate constitutive power. Speech-acts affect the world through mechanisms comparable to other acts': they persuade, inform, or offer reasons for action (Fairclough et al., 2002). Put differently, discursive practices, like material ones, interrelate with, support and undermine other practices (Hellgren et al., 2002; Thomas and Hewitt, 2011; Vaara and Tienari, 2004). Language matters without diminishing materiality.

CDA is not committed to any one linguistic approach but to critically understanding language's social role. While traditionally associated with Systemic Functional Linguistics (Halliday and Matthiessen, 2013), it has been used alongside theories of rhetoric (Zanoni and Janssens, 2004), framing (Leask and Chapman, 2002), argumentation (Fairclough and Fairclough, 2011, 2012), corpus linguistics (Learmonth and Mautner, 2016; Mautner, 2009, 2015) and multimodal approaches (Brookes and Harvey, 2016; Thompson, 2012). Across approaches, it aims to understand how language constructs meanings and makes them compelling (Merkel-Davies and Koller, 2012; Reisigl and Wodak, 2009; Vaara and Tienari, 2008). CDA offers the detailed attention to language Thévenot demands while appreciating materiality's importance and interaction with language (Moody and Thévenot, 2000).

Constructing situations

Our second criterion for a useful discursive approach was that it should enable us to analyse how situations are represented and perceived.

CDA theorises in detail the relationship between discourse and the material circumstances it describes. Early CDA extensively used an idea from the education literature. Bernstein's (2000) 'recontextualization' emphasised how pedagogical discourse re-presented social practice for schoolroom use. Drawing thereon, analysts conceptualise discourse more widely as the recontextualisation of social practice (Chouliaraki and Fairclough, 1999; Thomas, 2003), developing frameworks to analyse its transformations in transit (Van Leeuwen and Wodak, 1999). The transformation of a lived 'test' into the 'report' Boltanski and Thévenot (2006) emphasise exemplifies 'recontextualisation'. CDA has a longstanding interest in how situations and discourses relate.

Going beyond 'recontextualisation', writers increasingly emphasise how people apprehend situations. Just as conventionalists' situations are 'not restricted to face-to-face situations', but include far-reaching social disputes (Diaz-Bone, 2011, p.49; e.g. Patriotta et al., 2011), so CDA analyses proximal situations as readily as social disputes (Mantere and Vaara, 2008; Fairclough, 2016). These may therefore be apprehended directly or through language. Van Dijk (2003, pp.95–96, 2013; Johnstone, 2018) describes a 'situation model' or 'context model': a mental construct which aggregates reports one hears with one's direct experience. Through such constructs, CDA attends closely to how situations are understood through sensory and linguistic cues.

Fairclough deepens our accounts of how people understand situations and related linguistic cues. Like Thévenot, he starts by recognising the radical uncertainty people face: their understanding of both situations and texts remain incomplete. People fill in the blanks with whatever information they can. Initially, situations and texts can be used to help interpret one another. In interpreting texts, we consider what we know of the situations they refer to.

Simultaneously, those texts help us learn more about the situations they describe.

Consequently, when reading a text we constantly update our 'situation model' while using that model to interpret texts. These processes – situations helping interpret texts and texts helping interpret situations – are simultaneous and interwoven. This dialectic between experience and discourse theoretically justifies our interest in how language shapes people's impressions of situations like austerity.

This reasoning develops Chapter 2's argument that perceptions of austere situations are textually mediated. The logic by which it does so is based on the inevitable uncertainty presented by imperfectly known situations and texts subject to interpretation (Empson, 2004). Emphasising uncertainty unites RE and CDA; and befits the investigation of austerity.

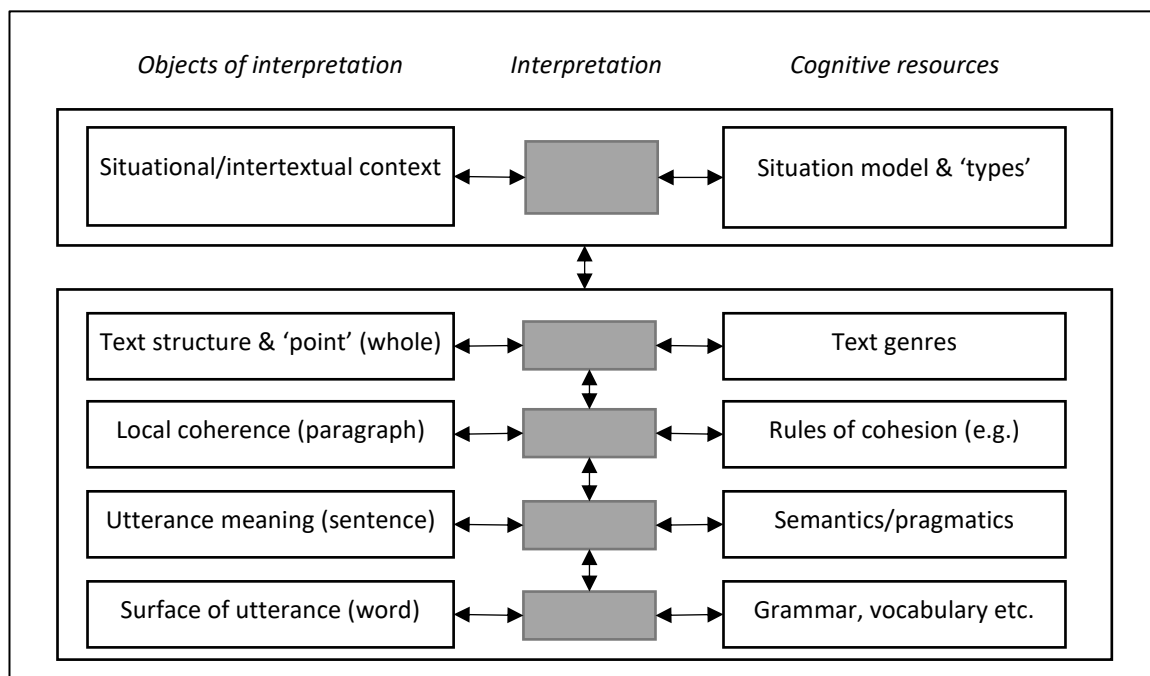


Figure 4.1 – Interpretation. Adapted from Fairclough (2015, p.156 elaborated based on pp.67-71)

Figure 4.1's two leftmost columns illustrate this relationship between situational and textual interpretation. Fairclough observes that the dialectic between our interpretation of situations and texts is echoed by similar dialectics between interpreting those whole texts and smaller elements thereof. We progressively alter our interpretation of whole texts based on our interpretation of individual sentences; and contextualise our understanding of individual sentences based on our developing understanding of the whole text.

Fairclough elaborates this point into four dialectically related linguistic categories; the left-hand column describes the range from a text's overall 'point' (its gist) to its 'surface' (the basic linguistic elements which must be interpreted to form words and sentences). In brackets, I add the levels of a text where such considerations might be most relevant: these are illustrative, not definitional, and intend to elucidate the scalar relationships implied by otherwise opaque linguistics terminology. These relations dialectically link interpretation of smaller linguistic units to that of larger ones.

There thus exists a chain of dialectic relationships between these units. It links our understanding of the situation to the smallest textual units in speech or documents describing

it. This explains and justifies CDA's interest in patterns of micro-level textual detail. Apparently trivial microlinguistic patterns become entangled with our understanding of situations through a structure of dialectic relations. CDA offers a mechanism and theoretical warrant for detailed discursive analysis of situations' construction.

Agency and pluralism

The third requirement of our discursive approach was a balanced account of agency that distinguished discourse from cognition. This was important to maintain the freedom of Thévenot's agents, and to adequately account for the complex position of autonomous public managers facing austerity's substantial constraints.

Like RE, CDA imagines competent actors who are capable of changing their circumstances, but at a point in time face structural limitations (Chouliaraki and Fairclough, 1999; Fairclough, 2005). As speakers, people can draw on a plurality of discourses (Thomas and Hewitt, 2011). However, just as Thévenot's agents can only effectively utilise conventions others will recognise (Eranti, 2018), so Fairclough's speakers must choose comprehensible discourses should they wish to be understood (Vaara and Tienari, 2008, p.987). CDA thus mirrors RE: agency is enabled and constrained by socially shared structures.

CDA also theorises people's role as interpreters of discourse in a manner mirroring RE. The section above begins to outline this by describing Figure 4.1's two leftmost columns. It describes how we build cognitive models of situations or texts based on information from that text or directly pertinent to that situation. However, we interpret this information not in isolation but given pre-existing ideas about the 'types' of situation or text we might be encountering. We know how to read a novel; or how to do a job interview; this helps orient us to subsequent interviews or novels. In Boltanski and Thévenot's (2006, p.146) terms, people understand their situation by making a 'coherent association...a relation...to something more general'. Fairclough calls this 'something more general' a 'situation type', 'text type' or 'genre'. CDA and RE alike characterise people as interpreting texts and situations in relation to one another and to more general types thereof.

Figure 4.1 thus represents the (horizontal) relationship between situations or texts and our ideas of the 'types' of situation or text available alongside the (vertical) relations between parts of texts and situations. At a finer-grained level, it notices similar horizontal relations between parts of texts and rules about how paragraphs fit together ('cohesion'), what words mean and how they are used in context ('semantics' and 'pragmatics') and how the basics of our language are assembled (grammar, vocabulary).

This horizontal relationship is two-way (Fairclough, 2015, pp.67–71). RE and CDA alike emphasise that, just as our wider ideas of the types of situation, text or sentence available shape our understanding of a situation, so those ‘types’ are shaped by our accreted experience. Our interpretation of today’s situations and texts are thus shaped by how we have heard things described before. Repeatedly reading about ‘NHS austerity’ situations might shape how a hospital manager interprets a comparable situation in their own organisation.

Superficially, acknowledging this influence could be seen as erasing people’s agency through powerful discourses they cannot resist (Keller, 2011). But like Thévenot’s conventions, discourses are plural. Consequently, we are exposed to multiple ways of interpreting the situations and texts we encounter. Accordingly, we can – to varying extents (Fairclough, 2010; Gond and Leca, 2012) – reflect critically on how situations are represented and how to approach them. Thus we engage our agency in using sensory and discursive resources to understand and act in our situations. That these resources are finite makes doing so no less agential. Instead, there is an analogy here with Thévenot’s account of situated agency. People act freely but consider their experience and surroundings. CDA merely emphasises that this experience and those surroundings may be understood through discourse alongside sensory perception.

Conclusion: a discursive pragmatism

CDA is a promising adjunct to RE. It maintains its practice orientation, emphasis on materiality alongside language, and the pluralism that guarantees its subjects’ agency. To this it adds a detailed language-analytic infrastructure which helps better explain how situations are formatted and apprehended. This conclusion does not reiterate this analysis but operationalises this combination in two ways: first by relating core concepts from CDA and RE; second by clarifying my normative orientation.

Regimes and discourses

In combining CDA and RE, we must be clear about how their concepts relate. Chiapello and Fairclough’s (2002) integration of CDA with EW associates discourses with the non-material aspects of worlds. This is theoretically coherent; discourses are important to justificatory frameworks, but not their totality. I accept this characterisation; but it is not alone sufficient here: this study is interested in more than EW’s justification.

Consequently, I combine Chiapello and Fairclough’s approach with Thévenot’s (2001b) observations about language’s varying role across regimes. *Justification’s* conventional appeals to the common good are likely characterised by certain recurring discourses (Chiapello and

Fairclough, 2002). Conversely, the language of *familiarity* may be indexical or gestural: while a given *familiar* context may entail semiotic patterns, these are unlikely to characterise wider discourse. Meanwhile, *planning* entails discourses more public than *familiarity* but more 'everyday' than *justification*: correspondences between discourses and conventions are looser, and discursive patterns more elusive because they appear quotidian. *Regimes* entail, but are irreducible to, discursive patterns.

Normativity

Notwithstanding its fruitfulness, some might balk at the combination of an apparently 'critical' approach (CDA) with one which reacted against 'critical sociology' (RE). Yet Boltanski and Thévenot's (2006) objection was not to normativity but to what critical sociology had become. Suspicious of approaches that 'treat power as a general equivalent' (Boltanski and Thévenot, 2006), their effort was not to ignore the possibility of criticism, but 'to be more precise about the mechanisms that contribute to both empowerment and domination' (Luhtakallio and Thévenot, 2018). Conventionalists are open to critical analyses; they merely wish to avoid the simplification characterising certain normative approaches. Since *On Justification*, both authors have developed frameworks conceptualising 'domination' (Boltanski, 2011; Thévenot, 2014b).

Meanwhile, CDA was undergoing the opposite journey. While Fairclough's earlier writing (e.g. 1995) wore its normativity on its sleeve, he has increasingly distanced CDA from these 'left-wing' origins. Fairclough and Fairclough (2012) advocate an approach centred only on a normative espousal of 'universal human rights'. Put differently, they accept many different models of what is good, but within certain constraints. This pluralism within basic humanistic constraints is compatible with Boltanski and Thévenot's (2006, p.77) pluralism and requirement a 'justifiable' world recognises a common good, common dignity and humanity. If CDA and RE might once have appeared in tension, they are now a surprisingly apt combination.

That said, this study is not strongly normative. Boltanski and Thévenot focused *On Justification* on simply understanding justification before *The New Spirit of Capitalism's* greater normativity. While CDA implies normatively selecting a 'social problem' to investigate, risks to quality (Robertson et al., 2017) can be problematised without condemning austerity per se. From there, Fairclough observes that 'explanatory critique' precedes normatively investigating solutions (Fairclough and Fairclough, 2012). Without excessive normativity, we can problematise quality risks, then seek explanation, rather than immediately seeking normative conclusions.

Concluding remarks

As a large macro-level literature demonstrates, discourse is central to austerity. Writers suggest it shapes how people see the crisis (e.g. De Benedictis, 2012; O'Flynn et al., 2014), the subsequent situation (e.g. Bramall, 2013; Z. Morris, 2016) and consequent policy choices (e.g. Dowling and Harvie, 2014; O'Brien, 2013). When macro-level austerity is studied, discourse is frequently emphasised.

This review demonstrated that austerity managers are likely to find this discourse influential. Discourse can shape policy and organisational choices (Jones and Exworthy, 2015; Z. Morris, 2016; Tonkiss and Skelcher, 2015). And public managers are part of the polity official discourses address. Indeed, they and their clients are among those such discourses blame for the crisis (Clarke and Newman, 2012; Mitrea and Jackson, 2015). Public organisations are likely to focus on government discourse to identify future policy trends (Bacchi, 2000). This leaves austerity managers among the most likely to be shaped by austerity discourse.

This review thus expected to find a breadth of empirical studies investigating how discourse shaped organisational austerity management. It found none. What analysis of organisational austerity discourse was available was outside the austerity management literature (e.g. MacKillop, 2014). Such studies generally came from poststructuralist perspectives poorly suited to capture austerity managers' material constraints; to provide detailed linguistic analysis of situations; or to address complex balances of agency.

However, these three criticisms were used as a springboard from which to identify a more fitting approach. Remembering my commitment to RE, I first considered discursive approaches demonstrably compatible with it. This identified CDA as a leading candidate. Further analysis demonstrated CDA's suitability to integrating discourse and materiality, conducting detailed linguistic analysis and mirroring RE's nuanced treatment of situated agency (Fairclough, 2000). It was identified as an appropriate discourse analytic approach.

This chapter fills the gap Chapter 3 identified in the RE framework by identifying a compatible discourse analytic approach. RE and CDA enable us to answer the question Chapter 2 identified: through what practices do organisations respond to situations of austerity? The following chapter develops a methodology for such a study informed by RE and CDA.

Part 3 – Methods

Chapter 5: Methods

Introduction

The foregoing chapters demonstrate the need for a pragmatist, discursive investigation of austerity management practices. This chapter develops a method for such a study.

This research connects RE with CDA. This is enabled by their both locating the social in ‘practices’: constellations of situations, actions, objects, discourses and values activated by situated agents. This shared pragmatism shapes the study: the rich data it requires; its analysis; and its development of theory by tracking said practices across time and contexts.

Research proceeds as a comparative, processual case study. Its cases include three English healthcare organisations facing austerity. The national policy environment surrounding healthcare austerity contextualises them while being itself a fourth case. Observational, interview and documentary data enable the detailed focus on situated activity which practice analysis demands. The comparative case design helps develop theory about austerity management practices which transcends any one organisation. The study’s processual lens recognises that austerity pressures vary across time.

As befits its theoretical and ontological commitments, this study combines pragmatic, discursive and processual analyses. Based around a novel approach to robustly identifying practices, its analysis treats discourses as one element of wider practices. Discourses are thus identified alongside other features of practices (actions, objects). Analysis of how these manifestations intertwine identify situated practices. Processual analysis connects these situations (Langley, 1999), capturing how practices change over time. Comparing processual practice narratives across sites then helps develop generalisable theory.

The remainder of this chapter comes in five sections. First, it considers the study’s theoretical, philosophical and methodological commitments. Subsequent sections address the study’s design, data gathering, analysis and theory development. Methods chapters sometimes separate out ethical considerations or passages on researcher reflectiveness into discrete subsections. This one integrates them throughout the chapter to describe their consequences for research design.

Theoretical and philosophical commitments

This study investigates the discursive and material practices characterising austerity management, conceptualising these practices through RE and CDA. This section considers this approach's ontological and epistemic commitments. Because they are interrelated (Whitley, 1984), I do not structurally separate ontology and epistemology. Instead, a first subsection addresses practice, a second language and a third normativity.

Conceptualising practice

Chapter 3 and Chapter 4 commit this study to two theories integrated by their common pragmatism. RE describes the social as a series of practices of interacting with the world.¹ As Chapter 4 demonstrates, CDA's focus on 'discursive practices' alongside material ones renders it compatible with RE (Vaara et al., 2004). This subsection develops this, considering RE's ontological and epistemological implications.

Pragmatism should imply a practice ontology (Feldman and Orlikowski, 2011). While many invocations of practice theories constitute little more than a focus on detail (Nicolini, 2012, p.2), a thoroughgoing pragmatism locates the social within practices themselves. For Thévenot (2001b), such practices are constellations of actions, objects, persons, values, language and situation. Other pragmatists emphasise knowledge and emotions (Bourdieu, 1977; Reckwitz, 2002; Schatzki, 2010). Notwithstanding the particular phenomena theorists highlight, pragmatism's defining feature is that no one such element is 'omnipotent' (Reckwitz, 2002, p.254). The social instead lodges irreducibly in the practices of which such phenomena form parts.

This generally implies belief in real material things external from the observer (Blaikie, 2007; Guba and Lincoln, 1994). This belief is apt to practice theories which tend to emphasise materiality. Adequately theorising materiality's role requires the premise that such material objects genuinely exist. Thévenot's (2002b) perspective is paradigmatic here: it aims in part to remind even pragmatists of materiality's centrality. Practice ontologies entail belief in a real external world.

Notwithstanding this shared belief, practice ontologies vary. Some risk 'micro-isolationism' in their attempts to explain local events only through local circumstances. For Seidl and Whittington (2014), one remedy involves 'taller' ontologies. These make micro-level activity important by explaining it as a consequence of higher-level structures (Knights and Morgan,

¹ Thévenot uses 'engagements' not 'practices' when highlighting this interactivity is important. Like Thévenot, this thesis uses both, but generally prefers 'practices' for clarity.

1991). Alternatively, 'flatter' ontologies enlarge their perspective through networks of interlinked practices stretching beyond the local (Gherardi and Nicolini, 2000). Both bring limitations. Tall ontologies risk curtailing local agency; flat ontologies obscure relationships between senior actors (like governments) and their subordinates (Phillips et al., 2007).

Thévenot evades this dichotomy by acknowledging the macro-level structures 'flatter' ontologies deny but emphasising that such structures are plural. As Chapter 3 elaborates, his focus on the situation as a context in which multiple conventions and regimes are available avoids 'tall' ontologies' totalising explanations and flat ontologies' denial of wider structures (Diaz-Bone, 2011). It acknowledges macro-level forces which shape local situations; yet it simultaneously insists that which wider forces are activated remains a question of situated agency. Avoiding the flat/tall dichotomy, Thévenot offers a 'plural' ontology which relates the micro to multiple macro-level structures without having those structures determine agents' choices. This combines the best of both 'flat' and 'tall' ontologies.

Yet it creates an epistemic problem. Researchers cannot directly observe conventions, the practices they partly constitute or the interconnections between practices. Instead, we can learn about them only by observing individual situated instantiations of practice (Jarzabkowski et al., 2007). A mechanism is needed to identify empirical objects not susceptible to direct observation.

Fortunately, I am not alone in facing such a challenge. Writers in other schools facing comparable problems often recommend retroduction as an analytic approach (e.g. Bhaskar, 2008; Blaikie, 2007). Retroduction involves generating hypotheses which would make observed phenomena uncomplicatedly explicable (Ragin and Amoroso, 2010; Ragin, 2014; c.f. Becker, 1958). In practice, retroductive processes normally begin with inductive analyses of what is observed. These are then followed by an abductive conversation between data and theoretical hypotheses which is iterated until observed phenomena are adequately theorised. A retroductive strategy can allow this study to identify underlying practices and relationships based on what can be seen of people's engagements with the world (see p.87).

In identifying such formations, this study remembers Thévenot's distinctive conception of practices as 'engagements' with the world. As Chapter 3 elaborates, Thévenot conceptualises action as series of 'tests': we act in pursuit of some aimed-for good, examine the 'resistant' world's response thereto, and refine our approach to better achieve that good. Consequently, an action and 'resistance' to it are not considered distinct practices, but a single ongoing engagement.

Alongside this conception of practice as ‘engagement’, Thévenot’s approach was apt partly because it emphasises, and distinguishes, the ‘goods’ which people pursue. Accordingly, this study must attend to actors’ aims during analysis to enable theorisation to conceptualise them in terms of Thévenot’s *regimes* and *worlds*.

Thévenot’s outlook shapes this study’s design. It advocates rich data to identify practices. It requires analysis of practices as ‘engagements’ between multiple actors, involving not only material actions and situations but multiple *goods*. And through *regimes* and *worlds*, it enables rich theorisation.

Conceptualising language

As Chapter 4 describes, this study has a strong interest in language as discourse. That chapter lays out the epistemic and ontological issues surrounding discourse analysis, how discourse is conceptualised within Thévenot’s framework and the types of analysis which Fairclough’s version of CDA warrants. This ground is not retrodren here.

However, this study uses its data to find out not only about participants’ words, but also their meanings and extra-linguistic practices (Alvesson and Kärreman, 2000a). Discursive studies are atypically talk-heavy, so this research will rely extensively on analysis of talk. Treating language as discourse also highlights the distance between people’s words and meanings; and between their meanings and the events they describe. This section thus addresses oft-neglected issues with treating participants’ words as evidence of extra-linguistic phenomena.

Alvesson and Kärreman (2000a) highlight two epistemic criticisms associated with such uses of language data. They only partly accept these arguments, but counsel extensive caution in using participants’ utterances as evidence of non-linguistic phenomena. First, they observe that doing so requires a leap of faith: we must take our participants at their word. People mislead and misremember. Interviewees may experience pressure to provide ‘right answers’. This represents a good reason to use judgement about what people can remember, to beware storytelling effects and to assess reliability through triangulation (Becker, 1958).

However, there are good reasons to trust participants’ words. The academic endeavour is founded on trust. We believe each other’s writing not because we independently verify authors’ or reviewers’ assertions; but because starting with trust makes academia functional. Assuming that we are entitled to a baseline trust our participants are not would be hubristic. Boltanski and Thévenot’s (2006) theoretical project started from a premise of trusting participants. It has produced successful theory: that which explains not only what it directly

observed, but what was yet to come (Geertz, 1973). Trust seems to work. We should start from a defeasible presumption of trust towards participants.

Alvesson and Kärreman secondly note that attributing meanings to participants' words requires a leap of interpretation; determining what language data mean brings attendant risks of subjectivity and misconstrual (c.f. Fairclough et al., 2002, p.4). Yet language data are in good company; all data must be interpreted to be accorded meaning (Becker, 1996). Singling out judgements about language as 'speculative' in the way Alvesson and Kärreman suggest is unwarranted and implicitly overstates the certainty we can have about non-linguistic data.

However, Chapter 4 argues that language shapes our perceptions of that which it describes. Going from this premise, I must concede that my perceptions as a researcher may be similarly shaped. Superficially, a discursive approach which contends that language shapes perception is problematic for a study relying on participants' words to understand real phenomena.

This is certainly a tension, but attributing it to my discursive approach is misguided. Whether or not I acknowledge it, language inevitably shapes others' and my perceptions. The best response is not to deny this, but acknowledge and understand language's influence. Far from this discursive approach creating an epistemic problem, closely analysing language is our best opportunity to mitigate its impact. Understanding how language shapes perception mitigates that influence (Fairclough, 2010).

Epistemic certainty was never possible with linguistic data; nor with data of any sort. Critical awareness of language best equips us to understand and account for such influences. This study's discourse analysis therefore both enables discursive conclusions and strengthens its interpretation of language as evidence of social practice.

Normativity

In asking which practices are involved in austerity management, this study poses an analytic-descriptive, not evaluative, question. As Chapter 4 demonstrates, CDA and RE are compatible with more overtly normative research. But both start investigating a social domain with analysis, not evaluation. Austerity management practices remain poorly understood, making evaluative work difficult. Following Pettigrew's (1987, p.655) injunction not to 'rush into prescriptive writing before description and analysis', this study thus adopts analytic-descriptive goals.

Nevertheless, research cannot avoid normativity. My beliefs about what matters shape my decision to research austerity. Notwithstanding supervisory support, I remain this study's sole

data collection device, analyst and ultimate theorist. Unable to erase such influences, I should instead be open about them: I am a left-leaning former healthcare manager. Before this study, I did not claim to understand austerity's economics enough to know whether fiscal consolidation was desirable, but deeply regretted how its burdens were allocated. Nevertheless, I felt sympathy for public servants tasked with implementing it.

Without claiming to erase such influences, I aimed to ensure my data shaped me more than I shaped them (Eisenhardt, 1989, pp.546–547). I remained reflective: initially formalising this through a research journal, later integrating reflection organically into my research practice. I tried to integrate other influences into this study, offering interview participants the opportunity to affect the agenda and consulting participants informally on topics ranging from interview questions to methods of invitation. These efforts aimed to ensure my findings said more about my data than about my preconceptions.

Research design

The above framework recommends an approach which captures high levels of contextual detail and allows the mapping of relations between practices across organisational domains. Such data cannot be gained by studying isolated events but requires wider, deeply understood contexts. Case studies enable such in-depth understanding (Burawoy, 1998; Eisenhardt, 1989). Case-based projects focus on one or more cases, often nesting sub-cases therein (Yin, 2013). They are excellent ways to develop theory in relatively uncharted areas, like austerity management as practice. And they continually confront researchers with data: this helped challenge any preconceptions my background has given me (Eisenhardt, 1989, pp.546–547).

The plural ontology adopted above allows local settings to relate to multiple wider structures. It is thus alive to changes in individual practices and their interconnections with other proximate practices (Nicolini, 2009b) and higher-level change (Boltanski and Chiapello, 2006). Under austerity, this is just as well. Changing lateral (Clayton et al., 2016) and hierarchical (Clarke and Newman, 2012) influences likely affect organisations' local situations. Those local situations are equally unstable and dynamic (see Chapter 2), emphasising practices' reliance on reproduction for their continued existence (Schatzki, 2010). Austerity's dynamic, interrelated practices exemplify the unstable situations which this 'plural' practice ontology suits.

Consequently, this study must track the development of practices across time and organisational domains. This means looking across organisational levels with their 'own properties, processes, and relationships' (Pettigrew, 1987, p.657; Van de Ven and Poole, 2005).

Given austerity's instability, 'tracking the interactions between levels through time' will be important. This is processual case studies' focus: they track phenomenon chronologically, using prospective and retrospective data to generate rich contextual detail (Pettigrew, 1990, p.271, 1992, 2013). Processual case studies suit this project.

Case studies rely clear, appropriate selection of cases (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). This study selected four sites. Three were English healthcare organisations facing austerity; they were studied during 2017-18, though with an interest in their longer histories. The fourth was the national policy context surrounding UK healthcare austerity from 2008 (the crash) to 2018 (a significant policy change in NHS funding). Each case was treated separately, but the national case provided valuable context for organisational ones. One could conceptualise each organisational case as a subcase of the national case. However, as their very different markets presented different contexts, they are better seen as distinct cases (Baxter and Jack, 2008).

Table 5.1 provides an overview of the cases to explain how they were selected (for detailed case descriptions, see Chapter 1 and Chapter 6 to Chapter 9). 'Dryas' is a large multi-site mental health trust. Like most mental health organisations, its funding had not kept pace with acute hospitals; nevertheless, it had generally maintained financial balance in the years leading up to the study (King's Fund, 2018a). 'Thyme' is a large multi-site acute hospital. It had a significantly larger budget than Dryas and was better off. 'Aloe' is a small, young, private sector organisation which sold support services to an NHS hospital under extreme financial pressure. Until recently, it had been a department of that hospital, but had been spun out into a so-called Wholly Owned Subsidiary (WOS). Its financial pressures were significant.

Table 5.1 – The four cases

Site	Sector	Market	Location	Size	Austerity pressures
Dryas	NHS provider	Mental health	Urban	Medium	Moderate
Thyme	NHS provider	Acute health	Urban	Large	Minor
Aloe	Private, NHS-owned	Support services	Urban	Small	Major
National	Government	N/A	National	N/A	Mixed

Sites were selected to represent contrasting markets, sizes and financial pressures (Eisenhardt, 1989, pp.536–537). It is regrettable not to have represented a hospital (as opposed to a WOS) in the most severe financial distress. However, at a time even the Care Quality Commission (CQC) deemed they could not routinely request such hospitals' time (Behan, 2018), convincing

them to spend time on this project was a pipe dream. Yet if the hospitals included here are atypically under-affected by austerity, this need not be a disadvantage (Pettigrew and Hendry, 1986, p.7). First, because contemporary austerity management literature focuses heavily on local government's atypically strong pressures. Second, because investigating austerity management practices beyond the most challenged organisations tells us how far such pressures reach.

Gathering data

The three field sites were approached via gatekeepers and access permissions gained through formal approach letters. Such approaches began an ongoing liaison with gatekeepers and those involved in data gathering (meeting chairs, interviewees). This was no small undertaking: in total, more than 3,900 emails went to-and-fro.

Ethical clearance was gained from the King's College, London Education & Management Research Ethics Panel under the low-risk process (reference LRS-15/16-3365). Because this study involved staff only, NHS ethical approval was unnecessary (Department of Health Research and Development Directorate (England) et al., 2011). In NHS sites, governance approval was gained from Research and Development departments. This represented the start, not the end, of ethical reflection which continued throughout the study (British Sociological Association, 2002).

Data collection periods in different sites were overlapping but non-coterminous, collectively spanning early 2017 to mid-2018. Data gathered included nonparticipant observations, interviews and documents. This breadth supported triangulation between data types (Eisenhardt, 1989, pp.537–538) and helped identify the breadth of phenomena involved in retroductively identifying practices. Table 5.2 catalogues the data gathered.

Table 5.2 – Data gathered

Site	Fieldwork duration	Observations	Interviews	Documents
Aloe	11 months	18	8	40
Dryas	9 months	49	20	92
Thyme	8 months	43	15	87
National	-	-	-	727
Total	14 months	110	43	946

Sampling – general considerations

Common considerations guided sampling across data sources. Sampling was purposive and aimed to expand the range of environments and perspectives found (Eisenhardt, 1989). Without seeking a ‘representative’ sample, it sought observations and interviewees representing varying levels of seniority, professional and demographic backgrounds. Simultaneously, I followed stories or practices as they moved between environments and individuals. Sometimes these became more substantial ‘tracer issues’ that exemplified austerity management across organisational domains and levels.

Sampling was continually refined by analysis and theoretical reflection. Following this study’s retroductive approach, I sought interviewees, observations and texts which could disconfirm my developing theories. Similarly, I remained open to ‘mysteries’ unexplained by existing literature (Alvesson and Kärreman, 2007). Focusing on such theoretically unexplained issues and attempting to disconfirm my developing explanations thereof shaped the data sought.

Sampling in each site followed a similar chronology. Early on, I would seek from gatekeepers an informal understanding of organisations and lists of staff and meetings involved in pertinent activities. In practice, this usually yielded introductions to comparatively central, senior teams, often managing explicit savings programmes. Through chains of introductions, I then radiated outwards, expanding the range of groups available for sampling. Finally, I would zoom in on service departments involved in relevant ‘stories’.

Whether gathering interview or observational data, I required individual consent. Aware of the power position a researcher adopts (Burawoy, 1998), particularly when setting the agenda within interviews (Kvale, 2006), I erred on the side of caution in approaching people. I was explicit about participation’s downsides; encouraged questions; ‘corrected’ for any overenthusiastic managerial encouragement to participate; and remained sensitive to unvoiced unease. I welcomed refusals to participate as evidence people were freely choosing whether to participate.

Observations

110 nonparticipant observations were conducted, lasting between around 45 minutes and 3 hours. They ranged from the most senior meetings to those of frontline teams. A nonparticipant approach centred on formal meetings was preferred to a more open ethnographic approach for two reasons. First, it facilitated compliance with NHS Governance rules. Second, given my history as an NHS manager, it helped ensure I looked at potentially familiar work through the new eyes of a researcher.

Meetings were sampled as discussed above. Selected meetings were approached through the chair or similar gatekeeper. If they approved my attendance, I asked attendees be forewarned of my attendance with an information sheet. As seeking written consent from every attendee at these busy meetings was impossible, I asked orally whether those present were happy to be observed and documented this by writing to chairs (or similar). In case anyone felt uncomfortable refusing permission in person, I noted that they could contact me afterwards to withdraw agreement. On the rare occasions people refused consent, I omitted them from my notes.

Otherwise, I took as extensive fieldnotes as possible. It was rarely possible during observations to discern what was strictly relevant to austerity, as opposed to broader strategic or operational issues (Langley and Truax, 1994, p.643). Consequently, I erred on the side of recording any potentially relevant material. In line with this study's practice orientation, this extended beyond what was said to include details about bodily performances, the material environment and objects (like PowerPoint slides). Given my focus on discourse, I recorded verbatim recurring or apparently significant phrases. Following Eisenhardt (1989, pp.538–539), I included my own reflections, clearly distinguished from direct observations. These paper notes were transcribed, pseudonymised and destroyed as soon as practicable.

Interviews

43 interviews were conducted with a broad range of staff. Invitations to interview were issued in writing. I liaised with interviewees to seek quiet, private venues at their workplaces. At the interview, I checked consent again, confirming it in writing after a further opportunity for questions. Where participants consented, interviews were audio-recorded then transcribed. Otherwise, I relied on handwritten notes comparable to observational fieldnotes.

Interviews generally lasted between 45 and 90 minutes. They were semi-structured, to balance depth and responsiveness to interviewees' concerns with a focus on austerity management. While questions changed as the study went on, and depending on the interviewee, they covered topics including participants' work in savings initiatives, balancing of competing objectives and their wider work situation. At times, questions focused on the immediate present, asking about particular moments in observed meetings. At others, they highlighted the past, seeking to understand the back-story of observed activity (Pettigrew, 1987). Time allowing, interviews concluded by asking participants what else they expected to have been asked, creating space to discuss things they felt important and mitigate my influence (Kvale, 2006).

Interviews attempted to focus on people's practices and normative orientations. Consequently, sections drew on Nicolini's (2009a) rediscovered technique of the 'interview to the double'. This involves inviting the participant to tell you, as their 'double', how to behave as them in their daily work such that nobody could differentiate you. Nicolini observes that this often generates somewhat idealised narratives of behaviour, revealing not only practice but its normative orientation. Combined with conventional interview techniques, this was revealing about austerity managers' work.

Interviews were broadly structured into two clusters, one early, and one later in a given site's fieldwork. The reality of research in stretched organisations was that clear temporal differentiation of these 'clusters' was impossible; instead, they overlapped. Nevertheless, deliberately spreading the interviews over time helped track change and enabled re-interviews; while conceptualising them in two clusters helped consciously shift their emphasis over time. Early interviews focused on people able to provide overviews of organisations' work, thus highlighting potential future observations, interviewees or foci. Later ones pursued these leads, diversified the range of interviewees and tested theoretical ideas.

Texts

Texts were gathered from sites and the wider policy discourse. Texts from sites included documents relevant to austerity management and of broader strategic importance. These ranged from local plans and operational Cost Improvement Plan (CIP) Trackers to strategic presentations, committee papers and public documents. These were sought purposively (e.g. through initial conversations with gatekeepers or key figures in savings programmes) and opportunistically where interviews and observations highlighted key documents. They were gathered from the public domain or with staff permission.

National texts were gathered in several steps. First, I sought a broad sweep of official policy texts 2008-2018. This official discourse was selected because such strategic documents can strongly influence work (Vaara et al., 2010), particularly in austerity's dynamic policy environment. I systematically searched Government and NHS websites, search engines, web archives, and Planex's grey literature database. Keywords pertaining to savings, austerity and healthcare identified texts including reports, guidelines, reviews and speeches. Basic relevance criteria selected 217 texts. Snowballing extended the corpus to 294 texts (1.8m words).

During the study, I widened and refined this sample in two ways. First, sites mentioned – prompted and unprompted – texts pertinent to their work. If such apparently important texts were not yet included in the corpus, they were added.

Second, conversations in field sites and ongoing analysis of the policy process highlighted relevant *types* of text beyond the official policy discourse. Consequently, I extended my search to include media and think tank texts. It was not possible to be as exhaustive with these as with the initial sweep of policy texts. Consequently, focus was given to the period 2016-18 that covered the fieldwork and its immediate context; and 2010, which early analysis suggested was particularly important in the national case's development.

Texts were gathered through searches of European NewsStream. They included *Daily Mail*, *Guardian* and *Times* articles to balance formats and political perspectives. Similar queries of the two most prominent UK healthcare think tanks' websites (Nuffield Trust and King's Fund) garnered further texts. Table 5.3 quantifies the texts gathered.

Table 5.3 – National texts gathered

Text type	Number
Official policy discourse	303
Newspapers	336
Think tanks	88
Total	727

Analysing practice

This study unites multiple analytic approaches. They are described separately for clarity but continually interacted with one another. The aim was to analyse retroductively, creating inductive images of data to compare abductively with theory (Ragin and Amoroso, 2010). Thus I gradually, robustly identified practices.

Notwithstanding that practices are notoriously analytically elusive (Denis et al., 2015), writers focus more on conceptualising them than developing methods for their identification (Feldman and Orlikowski, 2011). It was therefore necessary to develop a formal method for practice analysis. While this is outlined in detail below, an overview is merited here.

1. Practices are evident through their 'manifestations': situations, actions, discourses and so forth. The purpose of this is not to identify ontologically distinct entities more basic than practices, but to document the various directly observable phenomena practices entail. This study's first major analytic process inductively identified these manifestations through thematic and discourse analysis.

2. This enabled a second process which reviewed patterns of co-occurrence in these manifestations and theorised how they might be interconnected within practices (Wacquant, 1989). Interrogating these hypotheses with the support of further discursive analyses robustly identified practices.
3. This enabled a third process: developing processual narratives of how practices changed across time. Combined, these processes enabled robust theory development.

While there was a broad chronology from the first to the last item in this list, analysis was iterative and messy, involving repeated explorations and mis-steps. The reasoning process described above is best understood as the normative orientation of an inevitably more complex analytic process (Mantere and Ketokivi, 2013; Mautner, 2016, pp.5–6). Figure 5.1 summarises this recursive process. The subsections that follow describe these processes in more detail.

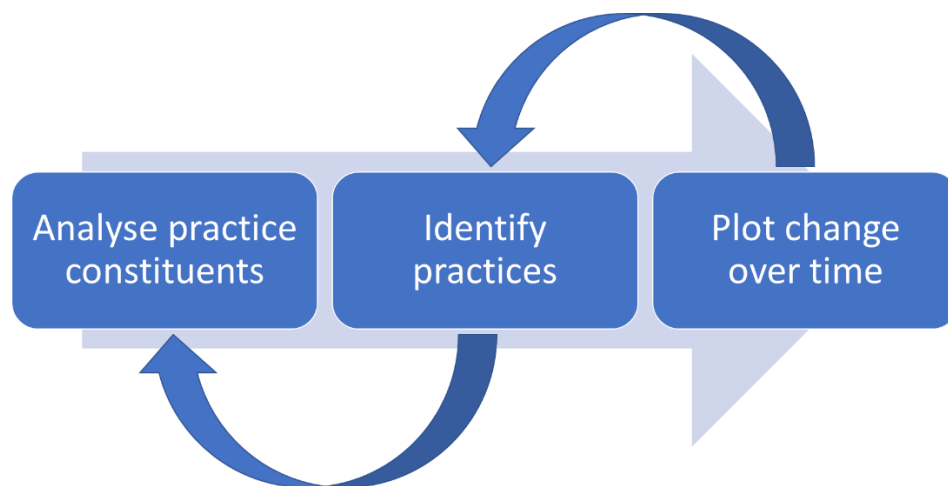


Figure 5.1 – Summary analytic process

Preliminaries: isolating the most relevant material

My approach to data collection erred on the side of inclusion. Before the processes described above, it was therefore necessary to identify data pertinent to austerity management.

A first round of coding selected interview and observational material related to ‘responses to austerity’. A broad view of such ‘responses’ was taken, facilitated by Levine’s (1978) threefold characterisation of public organisational decline as ‘a problem’, ‘a contingency’ and ‘a symptom’. Austerity can be approached as a financial ‘problem’ to be solved, a ‘contingency’ of work not directly related to austerity, and a ‘symptom’ of external causes like government policy. One might therefore attempt to solve the ‘problem’ through savings plans; observe the ‘contingency’ of financial stress while engaged in quality improvement work or complain about

the scarce resources government allocates. Data were counted as relevant where they pertained to any of these ways of approaching austerity (see Table 5.4).

Table 5.4 – Defining the scope of austerity management

	Austerity as...	Possible activities
Problem	A requirement to redress financial imbalances	Discussing, designing, conducting savings programmes
Contingency	A context for other action	Attempting to achieve something despite scarcity, creating workarounds
Symptom	A consequence of choices or circumstances	Discussing likely funding situations, debating government policy

Judgements about texts' relevance had to be more nuanced. The study's corpora stretched into the millions of words; not all relevant material could feasibly be analysed in detail. However, jettisoning large portions of data would have limited how meaningful conclusions could be. Consequently, this study adopts a 'layered' approach to discursive analysis in which concentric sets of texts are analysed in differing levels of detail (c.f. Hellgren et al., 2002; Tourish and Hargie, 2012).

Following Vaara et al (2004, 2006; Mantere and Vaara, 2008), it bases itself at a meso-level (conducting 'interdiscursive analysis'), periodically 'zooming in' on key passages (for 'microlinguistic analysis'). To this it adds Mautner's (2009) suggestion of periodically 'zooming out' to consider all texts using 'corpus analysis' techniques. This suits a study aiming to understand discourse's role as part of wider situated practices. Emphasising time-consuming microlinguistic analysis would have risked leaving insufficient time to analyse nondiscursive factors; whereas a corpus-level focus would risk de-situating the language examined. Figure 5.2 illustrates the diversity of techniques this study employed.

To accomplish this 'layered' analysis, it was necessary to get from the study's large corpus to a manageable selection of texts. Baker et al (2008) describe 'downsampling': progressively narrowing down one's data for more detailed analysis. This study operationalised this technique by according each of the official policy discourse texts scores describing i) their level of seniority within the NHS or Government; ii) their relevance to austerity; and iii) their focus on austerity. Aggregating these created a combined score.

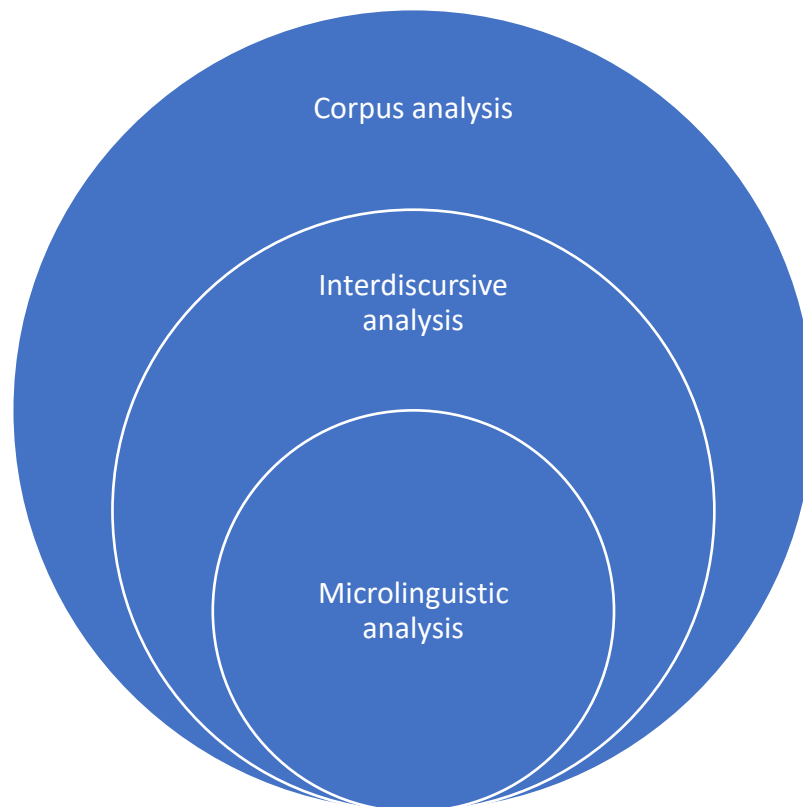


Figure 5.2 – Approaches to discursive analysis of national texts.

The top-scoring texts (n=22) published before mid-2016 (when this analysis process occurred) were thematically analysed. This allowed me to further downsample the texts while preserving this wider sample's thematic diversity. I did so by comparing the themes important across the sample to those important to individual texts. I could then create a purposive subsample of texts in which all the themes important to the original 22 were represented. To avoid cherry-picking, I built this sample by going down a list of texts ordered by score, including each text if an as-yet unrepresented theme was important in it. This created a subsample small enough for detailed analysis (n=5) which thematically echoed the wider sample.

Process 1: identifying practice 'manifestations'

The first stage of analysis involved these selected national texts alongside a quarter of the interview and observational data from field sites. First, the observational and interview data were thematically analysed. It was not necessary to thus analyse the national texts: they had already undergone such an analysis during downsampling. The core categories these thematic analyses developed were 'actions', 'situations', 'objects' and 'values': all ideas central to RE. While Thévenot's thinking will doubtless have sensitised me to their relevance, they were not imposed deductively but arose through the gradual interplay of data and theory (Ragin and Amoroso, 2010).

Yet this study's interest was not only in what people said, but also in how they said it. Accordingly, all verbatim data (documents, interview transcripts, direct quotations from fieldnotes) in this subset were analysed 'interdiscursively' (Fairclough, 2003). This involved considering linguistic choices like metaphor, pronoun use and semantic choice to identify which 'discourses' – 'way[s] of representing [the] world' (Fairclough, 2005) – were drawn upon. Coded fragments were sometimes large, stretching to a paragraph or more; but usually smaller, restricted to words, phrases or sentences. Discourses were identified inductively, but then brought into conversation with categories from Thévenot. Eventually, codes representing individual discourses were nested within categories representing the *regimes* and *worlds* with which they were associated.

This process created a coding hierarchy which differentiated and categorised the manifestations of practices, like situations, actions, values and discourses. This set the scene for the second major process.

Process 2: manifestations to practices

This process used these practice manifestations to identify practices. This created a practice coding hierarchy which was then used to code further texts and the remaining field data.

First, I reviewed in a variety of ways coding describing the 'manifestations'. Individual codes' contents were reviewed in detail to find patterns in where and how they occurred. Meanwhile, I examined how pairs of codes co-occurred. This was aided by NVivo 11/12's matrix coding feature, which creates matrices mapping overlap or proximity between codes. By plotting different types of manifestation against one another, I identified where particular 'discourses' were used in particular 'situations' (for instance). Each practice 'element' – situations, discourses, actions, objects and values – was thus plotted against one another, and common overlaps interrogated. This helped identify common co-occurrences and interrelations between 'manifestations' and hypothesise the practices of which they form part.

These developing hypotheses were tested against analysed data. This included the coded data already described, and further discourse analytic approaches. Following interdiscursive analysis and where puzzles emerged, I zoomed in on exemplary and atypical sections of text exhibiting a certain discourse. These were 'microlinguistically' analysed using Fairclough's (2015, pp.128–153) schema of linguistic features useful for social analysis (including 'classification schemes', 'nominalizations' and 'modality'). Pen-and-paper analysis of such features revealed patterns in how given discourses were deployed. These patterns could then be confirmed across the wider set of texts analysed. Such patterns confirmed, challenged and

complicated developing suspicions about how discourses were being used and, therefore, the practices present in these data.

Given the many national texts available, I periodically ‘zoomed out’ to the whole corpus using *Sketch Engine*, a corpus analysis package (Kilgarriff et al., 2014). Such corpus tools have been used productively within CDA (Mautner, 2009) and organisational healthcare research (Learmonth and Mautner, 2016; O’Reilly and Reed, 2011). They enable users to analyse millions of words at once, producing ‘concordances’ of all uses of a given word, identifying words’ frequency, common collocations of words and measures of ‘keyness’: the extent to which words are particularly characteristic of a corpus relative to a comparator (Mautner, 2009; Evison, 2010). Uniquely, *Sketch Engine* produces ‘word sketches’: at-a-glance indicators of a word’s collocates separated by their grammatical role (e.g. which verbs does this noun tend to ‘do’?). This analysis focused on official policy texts, though these were compared with other national texts, and with the British National Corpus (a ‘reference corpus’).

This breadth of approaches supported retroduction. Where one data source suggested conclusions, I generated hypotheses about what this conclusion would suggest I would find through other data or analyses. Conducting those analyses tested and refined those hypotheses. This process was initially formalised through clearly delineated alternations of analytic approach. Progressively, it became organic and iterative.

These steps helped identify practices involved in these data, and to code them accordingly. Because each practice manifestation could be relevant to multiple practices, they lacked a hierarchical (one-to-many) relationship with practices. Consequently, practices and their manifestations could not share one coding hierarchy (Saldaña, 2009). Practices were thus coded in a separate hierarchy, whose codebook recorded which manifestations each involved.

Armed with this coding structure describing robustly identified practices, I could code the remaining data more efficiently. All remaining interviews and observations were coded. Where data fitted descriptions of existing practice codes, they were coded accordingly. Otherwise, they were set aside for later attention. Periodically, I returned to such passages and coded them like the initial subsample: coding their ‘manifestations’, finding patterns in such manifestations’ co-occurrence and hypothesising practices. Every practice code was thus built through detailed, ground-up analysis of its manifestations, without all data having to be processed in this labour-intensive way.

Three additional groups of texts were also analysed this way. First, samples of texts gathered from organisational sites. Second, samples of texts from media and think tank sources. Third, further official policy texts i) dating from mid-2016 to 2018, after initial analyses were conducted; and ii) related to disputes or timepoints which processual analysis (below) identified as particularly important. Appendix 4 illustrates the coding process thus far.

Process 3: processual analysis

The analytic steps above produced a detailed but static image of austerity management practices. Processual analysis developed an understanding of the key events in the sites, and how practices changed.

First, I created detailed ‘chronicles’ – temporal databases of events which were i) relevant to austerity; ii) timebound and iii) material to organisations’ or focused-on departments’ overall position. Organisational events were identified through close reading of all data from sites. For the national case, I first closely read official policy discourse and think tank texts, starting with that given the highest score (as described under the subtitle ‘Preliminaries: isolating the most relevant material’). I continued reading down the list until three sequential texts added no previously un-noted events. To these, all newspaper texts were added because of their richness in factual detail. Appendix 5 shows an extract from the national chronicle.

These chronicles were interrogated to differentiate periods within each site. This judgement was informed by several considerations. First, in line with Thévenot’s emphasising *tests of worth*, I closely read each chronicle and highlighted all such *tests* or changes in the evaluative devices organisations used. I followed Dionne et al (2019) in identifying *tests* that represented clear ‘discontinuities’ in disputes or other processes; but also considered more gradual patterns of change in test structures. Second, I examined a site’s coding temporally to identify continuities and change. Third, within national data, I quantitatively compared language use across time using *Sketch Engine*. Fourth, I compared organisational sites’ chronicles with the national chronicle to identify national policy or discourse with implications for those organisations. These complex considerations were collated using visual mapping techniques (see Appendix 6) that helped me to see multiple dynamics at once (Langley, 1999). I thus identified distinct periods within each case around which the accounts of change and development in Part 4 are structured.

Generating theory

The above robustly identified austerity management practices and changes therein. Theory was developed by elaborating connections between practices; comparisons between cases;

and through the interaction of practice and processual analyses. These were brought into conversation with RE and EW concepts to embed my understanding of austerity management practices in a broader conception of social life.

Multiple strategies were used to develop theory, as Appendix 7 illustrates. The relations between practices were hypothesised, tested against data and refined, developing visualised 'practice nets' which captured apparent relations between practices (Nicolini, 2009b). Colour coding overlaid the structures of practices prominent within different sites on top of one another facilitating cross-site comparison. Such cross-site comparison validated and challenged hypothesised causal relations by seeing whether differences between sites produced expected differences in observed outcomes (Yin, 1981, 2013; Eisenhardt, 1989, pp.540–541). Different departments were treated as sub-cases within organisations, facilitating further such comparisons. This helped develop an overall structure of austerity management practices and their interrelations.

These practices were interpreted through RE. Individual practices and clusters thereof were interrogated for their relevance to elements of Thévenot's schema. I considered the types of *measurement device*, *qualified object*, *good*, *test* and *compromise* different practices involved. This signalled clearly the *regimes* (and, where applicable, *worlds*) to which they related. This perspective helped explain much of what I observed in terms of Thévenot's thinking. As well as providing a technical language with which to explain my findings, this illuminated as-yet unidentified dynamics: previously unidentified tensions between the familiar and the planned or justificatory play a significant role in the theory expounded in Chapter 13.

Such static analyses were enriched through conversation with processual accounts. Visual mapping techniques helped characterise each site's change processes (Langley, 1999). Outlines of the national policy story were created, including key events and graphs quantifying discursive changes or the density of chronicled events over time (Van de Ven et al., 2008). Overlaying these onto visualisations of individual sites' change processes helped map local-national interactions. Combined, these approaches helped to make clear each site's change processes. These were crystallised using 'narrative' techniques which created temporal case descriptions. Attending to Becker's (1996) warning against overemphasising 'thickness' for its own sake (Geertz, 1973), such descriptions aimed to be 'broad' while zooming in on moments which other analytic techniques suggested were important. This led me to use these data to elaborate its concepts of the *situation* (Chapter 11), *opening and closing one's eyes* (Chapter 12) and to identify new forms of *critique* (Chapter 13).

The identification of distinct periods of each site's process also enabled 'temporal bracketing' strategies. Coded data, and the official policy discourse corpus were divided into sections linked to these periods (Langley, 1999). This meant that coding and language use could be compared across periods, helping develop and evaluate potential explanations for change. This precipitated multiple possible theories of change within austerity management processes which could be further tested against particular cases or sub-cases (Van de Ven and Poole, 1995).

This processual perspective illuminated how practices evolved over time and helped me find patterns in such sequences across sites. These patterns were theorised by returning to RE, considering features like *tests*' temporal dynamics, with their cycles of refinement and revision; or the importance of *critical moments* at which systems of valuation are reframed. However, RE theory is fertile but underdeveloped when it comes to considering the wider range of temporal dynamics the cases observed here displayed. They thus gave me reason to develop an account of how *situations* are progressively formed (Chapter 11); and to emphasise sequences of tests alongside individual ones (Chapter 13).

Conclusion

The research process described above explains the practices involved in austerity management through a coherent, novel practice analytic method. Pragmatist writing is not always explicit about how practices are robustly identified. Perhaps theorists fear specifying too closely what beyond 'practices' themselves are observed would threaten those practices' ontological centrality. But it leaves researchers with few guidelines in operationalising pragmatist approaches.

Consequently, this chapter develops an analytic approach which can justify both its theoretical coherence and its methodological rigour. It involves first identifying practices' 'manifestations' through coding hierarchies tailored to one's pragmatist approach – here Thévenot's. Coding software facilitates detailed review of these manifestations and their co-occurrences. Practices are not reduced to the co-occurrence of given elements. But the discipline of using patterns of their manifestations' co-occurrences to support interpretation of practices adds demonstrable rigour to this analytic approach.

This approach integrates discursive and material considerations. Drawing on Fairclough (2015), it integrates within Thévenot's framework a detailed but flexible CDA to ensure that its discourse analysis is robust but not dominant. Based at a meso-level of detail but zooming out to large corpora and into small sections, this heeds Fairclough's reminder that language can be

seen at multiple levels. Beginning at a meso-level enables robust but parsimonious discursive analysis readily compatible with the practice analysis described above.

With greater resources or trade-offs in other analytic approaches, more detailed analyses of discourse, practice or process could have been developed. However, this analysis represents a strong combination of these approaches. This Part describes the methodological implications of Part 2's theoretical conclusions in Part 1's empirical context. The next Part continues by describing the results this method identified.

Part 4 – Organisations under austerity

The methods described above facilitated two interrelated types of findings. First, it developed five key practices, and several sub-practices supported by detailed ground-up coding and discursive analyses. Second, it enabled processual accounts of each case, which described not only the key events within sites but also how these practices were involved therein. This produces a rounded perspective on our data accounting for both austerity's micro-level dynamics and how changes therein explain developments within sites.

This Part is structured accordingly. Chapter 6 introduces the practices, explaining how each was identified. The following three chapters then processually describe each organisational case highlighting key practices as they arise.² Finally, Chapter 10 collates these analyses, developing early conclusions which Part 5 develops. See Appendix 1 for a note on the pseudonymisation practices and typographical conventions deployed here.

² The national case is reported within Chapter 11.

Chapter 6: Introducing the practices

Chapter 5 describes the methods through which practices were identified (pp.83-89). This produced a practice coding hierarchy in which higher-level practices entailed more micro-level subordinates. Eventually, practices were collated such that five top-level practices were formed. This chapter has a relatively technical aim: to define, explain and exemplify these core practices. These practices' empirical and theoretical implications are addressed by subsequent chapters.

To better explain the five core practices and demonstrate how they were created, this chapter also refers to their immediate hierarchical subordinates ('sub-practices', names underlined). However, the focus remains on the five core practices, which will also be invoked by the case reports that follow. To compare how these core practices are iterated across cases, Chapter 10 will refer again to their sub-practices but will remind readers of their definitions when doing so. This chapter's core purpose is to establish, demonstrate and elucidate the five core practices.

This chapter's first five parts each address one core practice: i) **attaining tenuous futures** (or, **attaining**), ii) **constructing possibility**, iii) **reconfiguring quality (reconfiguring)**, iv) **conducting and contesting financial tests (conducting and contesting)**, and v) **reshaping engagements (reshaping)**. The final part aggregates the coding structure thus described and makes early suggestions about the resultant structure's implications.

Attaining tenuous futures

The first core practice which this research identified was **attaining tenuous futures**. Fieldwork revealed repeated activity associating with establishing the financial situation and negotiating its relationship to potential financial futures. This manifested in direct discursive and material efforts to characterise organisations' financial jeopardy, and to 'bridge' increasingly imposing gaps between actual and desired financial states. Practice codes were gradually created to capture these dynamics.

One cluster of activity centred on managers' often-disputed efforts to characterise their financial situation as imperilled. One key set of meetings at Thyme began with what one senior manager called their 'speech', as my fieldnotes record:

Central managers were meeting with one division following the first round of annual planning. Divisions had submitted initial plans; these meetings were designed to discuss them and prompt further savings. One central manager described the large 'efficiency' target they had started with.

Divisional plans had identified around a third of the necessary savings. However, they had also brought a 'deterioration in outturn...in excess of assumptions [and] cost pressures way in excess of assumptions'. This meant they would have to go through everything and work out whether it was wholly necessary. 'We can't afford to have anything that's a nice-to-have as opposed to an absolutely essential'. They were 'not quite back at the beginning, but...' concluded the manager. One divisional manager placed their hand on their mouth, seeming concerned.

Alongside describing severe financial distress, the manager metaphorically locates Thyme near 'the beginning'. A trajectory is imagined from beginning to conclusion, determined by levels of financial improvement. To be at the beginning, it is implied, is to have lots more savings to make. This metaphorical location combined with the wider discussion of unexpected levels of financial problems was placed close to the start of many such meetings. It appeared designed to contextualise what followed, making clear what central managers saw as the need for further savings.

This extract exemplifies material coded under constructing and managing financial crises. Such data were characterised by persuasive descriptions and disputes over organisations' financial situations and their implications for the appropriate strategic responses. These discursive efforts tended to draw heavily on spatio-temporal language to locate organisations in a context of financial stringency. Such attempts to demonstrate the situation's severity faced counterarguments and protests. To some, talk of regulatory intervention was nothing more than the threat of NHS Improvement's 'henchmen' to justify further cuts ('NHSI'; see p.308). The engagement captured by constructing and managing financial crises includes both claims that the financial situation was severe, and sceptical responses thereto.

Such efforts were bound up with material changes shaping organisations' fortunes. When mid-year financial bailouts characterised Thyme's financial life (see Chapter 8), this fuelled scepticism about the situation's severity. Conversely, Dryas's intensive efforts to gather data about its Cost Improvement Programme's (CIP) informed and legitimised senior managers' accounts of financial jeopardy (p.120).

Constructing the financial situation was only the start. With grim forecasts in place, managers attempted to describe how their current state could reach acceptable financial outcomes. This involved identifying savings 'items' which could be placed in budgets to generate more favourable financial answers. Figure 6.1 is an example of the so-called 'bridge' charts

visualising the gap between actual and desired financial states. They displayed changes in a financial position, both negative and positive, actual and hypothetical.

Total Dryas forecast - 2017/18 Outturn to 2018/19 Forecast Bridge

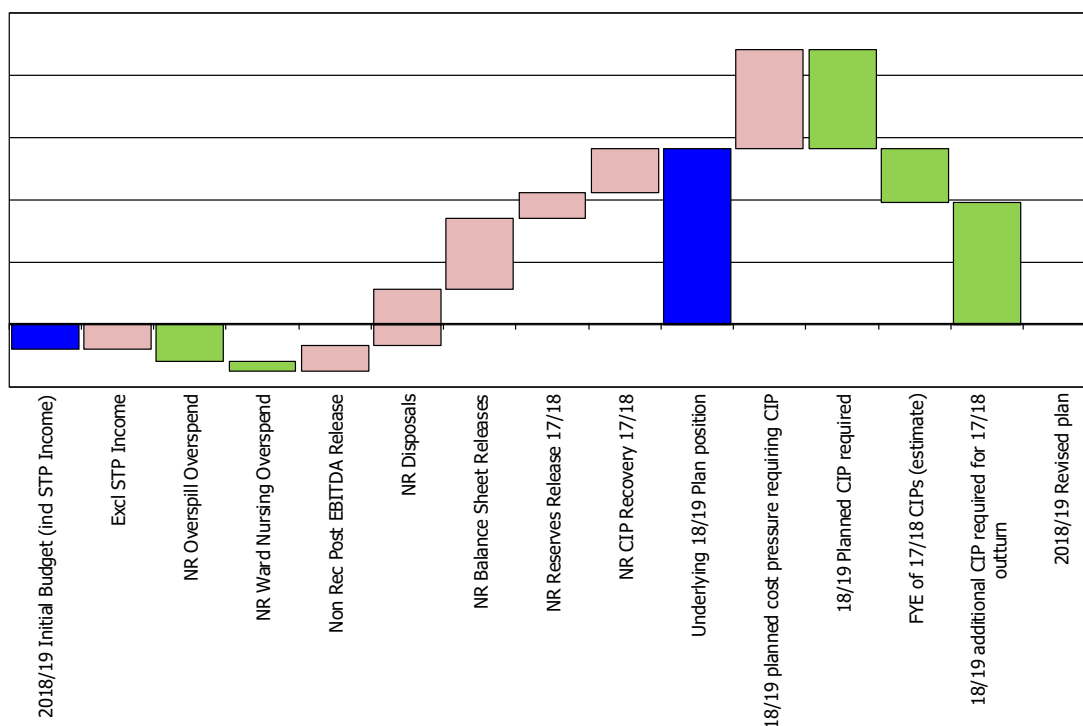


Figure 6.1 – Dryas 'bridge chart' example (values redacted; see p.9 for abbreviations)

Figure 6.1 illustrates Dryas's 2018/19 financial plan, exemplifying such charts' common use in budgeting. The two leftmost blocks show its starting point: breaking even including 'Sustainability and Transformation' bonuses for achieving prescribed budgetary outcomes (see p.325). The following blocks show foreseen changes relative to the preceding year's hoped-for outturn. These mostly consist of the end of 'non-recurrent' devices used to make that preceding year's ends meet. These precipitate the second blue block's grim prediction of a major deficit for 2018/19 absent other changes. This is worsened by foreseen 'cost pressures': likely increases in running costs. Accordingly, green items are added on the far right to indicate savings to redress the balance. However, in this diagram, created halfway through 2017/18, what is illustrated is more the savings 'required' to achieve acceptable outcomes than specific plans for them to be made.

As the year went on, organisations replaced these with more specific schemes associated with likely financial benefits. But this was not universal. Managers were sceptical about some savings added to plans. Some were ambitious; others were placeholder items, like the increasingly commonplace 'unidentified CIPs'. These represented intentions to save

unassociated with specific plans. Nevertheless, they sat alongside both realistic and contentious plans within organisations' documentation.

This material was associated with a further code: bridging, which was particularly prominent in budgetary processes. This activity was strongly associated with the acceptance of budgetary targets senior staff may not have seen as reasonable: in one manager's words, Thyme's budgetary ambitions were 'very, erm [brief laugh] ambitious'. Bridging was not restricted to formal budgetary processes. As optimistic plans had to become reality, mid-year reformulation of budgets or patching up of existing ones by finding new savings was also included. Bridging referred to the use of discursive and material methods to create compelling plans linking the financial status quo to 'ambitious' futures.

Constructing and managing financial crises and bridging were thematically and dialectically linked. Both characterised the construction of financial situations. The perpetuation of crisis narratives through constructing and managing necessitated bridging's ambitious plans, while those plans' ambitiousness encouraged senior managers to construct and manage financial crises to persuade staff savings were vital. These codes constituted **attaining tenuous futures**, our first core practice. It involved attempts to reach apparently jeopardised financial futures, partly through discursive efforts to create coherent plans. Table 6.1 describes its sub-codes.

Table 6.1 – Sub-practices of *attaining tenuous futures*

Practice	Definition
<u>Bridging</u>	Using concrete and discursive means to span the gap between likely and desired financial outcomes, particularly in budgets or formal plans. Precipitates variations across financial cycles as optimistic planning becomes challenging implementation.
<u>Constructing and managing financial crises</u>	Accounts of existential financial threats and attempts to address them. Includes critical responses to such attempts and disputes over threats and their extent.

Constructing possibility

The second core practice was **constructing possibility**. Managers expended considerable effort to represent as concrete and material hypothetical savings. Organisational discourse continually described savings as concrete objects, supported by documents and other objects representing those savings. Analysis of these activities created codes to capture such efforts to

concretise such possible savings, and the resistance such efforts received from others and the world.

Particularly prominent were industrial discourses and corresponding material efforts to construct proposed savings as concrete objects. One Thyme interviewee described their financial outlook thus:

The things that stick out in my mind is that we still have a financial gap as we did last year, so we need to, also, not only to deliver what's in the plan now, erm, but also to find how we're going to plug that, it'll probably be divided up between divisions, but then they're going to be looking for opportunities to plug those gaps, which goes back to the data we just talked about.

The physical metaphors used to describe spending more money than desired were characteristic of this dataset: they are 'gap[s]'. Seen this way, it is logical they must be 'plugged'. Potential savings are thus imagined as physical objects ('plugs'). Accordingly, they can be 'divided up' and are susceptible to the sort of visual processes ('looking for') to which pre-existing concrete objects are normally subject. It starts to seem natural to describe hypotheses about how to reduce spending as if they were concrete objects.

This exemplifies the data coded under **constructing possibility**. It describes savings as if they were physical objects. Physical metaphors were archetypal of this, but so were more critical statements attacking individual savings for having 'no substance'. Such accounts reinforced the idea that being substantial was definitional of 'real' savings plans. This discursive work was associated with corresponding material efforts. Work to create detailed databases of individual 'CIPs' enabled their aggregation into headline numbers, making them seem real and present (see p.111). Alternatively, creating an 'old-fashioned brown-paper process map' could substantiate the existence of hypothetical savings. Such work constituted packaging savings, the most prominent practice involved in **constructing possibility**.

As Table 6.2 illustrates, packaging was not the only practice associated with **constructing**. A comparable technique emphasised not the possibility of individual savings but of widespread change in organisations' design. Drawing on *connectionist* transformation rhetoric, material coded under constructing the good organisation also materialised hypotheticals, but those about whole organisations, not savings. Changes created a 'new structure' and needed to be 'embed[ded]'. Quality needed to be 'instil[led] as a cultural foundation'; change required the right 'tool[s]'. Even ongoing processes could be thus objectified and treated as a structure one can change. A Thyme department was said to struggle without the right 'leadership'; 'generic

improvement practices just haven't been embedded'. Constructing the good organisation cast improvement as possible through a change in organisations' material structure.

Table 6.2 – Sub-practices of *constructing possibility*

Practice	Definition
<u>Packaging savings objects</u>	Casting savings schemes as physical objects with organisational locations, which may then be contested, lost, identified and so on.
<u>Constructing the good organisation</u>	Representing organisations' structures and practices as material, changeable and determinative of their success.
<u>Juxtaposing savings objects with familiarity</u>	Contrasting the savings constructed by the practices above with realities drawn from the <i>regime of familiarity</i> .

Table 6.2 also highlights the opposition techniques like constructing the good organisation and packaging savings faced. Some questioned the reality of the savings objects they constructed, often by contrasting them with more grounded, *familiar* contexts. This was often powerful where financial considerations came into contact within specific patients or groups thereof. One meeting between Dryas's divisional and central managers bemoaned commissioners' disputing payment for a patient:

The divisional manager reported that, since a previous contact had left, they were now 'getting some sense' from commissioners. The remaining dispute was about paying for the patient's level of clinical observations, about which they had requested more details. The central manager frustratedly suggested that commissioners might 'want to come and see [them] on the ward and then' make that judgement.

Commissioners believed that these observations may be unmerited, thus representing avoidable spending. The central manager hearing this felt strongly that this judgement was inappropriate, citing Dryas managers' shared knowledge of the individual. Implicitly noting that commissioners had not 'see[n]' the patient 'on the ward' makes their abstract questions about the necessity of spending seem suspect. Comparable disagreements were present within organisations: when Dryas's own savings programme mobilised information about supposed areas of overspending, divisions observed how local eccentricities complicated such data's implications. Collectively, this work was described as juxtaposing savings objects with familiarity.

The three practices this section describes were thematically linked, all appealing to beliefs about where future savings were or were not possible. They thus also often found themselves in disputes, both resisting and perpetuating one another. They became **constructing possibility**, which characterised the construction, concretisation and dispute of images of organisational futures.

Reconfiguring quality

The third practice was **reconfiguring quality**. Observations and particularly interviews highlighted the gradual modification of traditional ideas of healthcare quality. Sometimes, this involved implicitly discursively reformulating the concept of quality. Other instances were more overt: managers explicitly discussed the perceived extent of their quality responsibilities and how this affected their decisions.

One Dryas manager explicitly advocated **reconfiguring quality** under austerity:

As much as [one] think[s] it's a deterioration in quality, actually, it's an acceptable level of quality for everybody, rather than quality for you, you and you and then nothing for the rest of you and that's – you have to redefine quality around that, I think, because if you're, if you're in it just to get to the level for – until the money runs out.

This interviewee did not welcome these trade-offs. Elsewhere, they worried about the trajectory of financial pressures. 'I don't want to work in an NHS environment where quality becomes safety', they said, fearing that this was 'the direction of travel'. However, given financial constraints, they felt forced to choose between high quality for some and satisfactory quality for all. They thus felt obliged to 'redefine quality around that'. What good quality meant had to change: it was necessary to **reconfigure quality**.

This represented one version of **reconfiguring** – satisficing and instrumentalising quality: using the language of quality to pursue cost improvement or, here, the treatment of quality as a value to satisfice, not maximise. As Table 6.3 illustrates, several forms of **reconfiguring** were observed. Blurring quality and cost casts cost and quality as allied, even equivalent, values. Like satisficing, this occurred through not only explicit claims but also linguistic nuance:

So from a financial point of view, it's easy to add up because you've got a bunch of positives on one side and a bunch of negatives on the other and if the negatives are bigger than the positives, they completely wipe it out but quite often, what they do is they, they consume a lot of it. Sometimes it's 50-60% of the saving that you do is consumed by poor services, on the other

side of the, of the balance sheet, if you like. So from a quality point of view, if you took a whole patient pathway...you can improve one element of the pathway and all you're doing is you're moving the problems potentially further down; so I mean it's sort of critical point stuff.

This Dryas manager appeals to the importance of holistically improving processes. A process management discourse pervades the extract ('patient pathway', 'further down', 'critical point'). In this framework, both quality and cost improvements are said to be potentially undone by downstream problems. The parallel 'so from a [financial/quality] point of view' presents them in parallel, as if the same logic is acting upon both. The two are constructed as not competing values but simply alternative ways of seeing the same problem. Consequently, it seems natural that 'poor services' can undermine financial improvement. Seeing quality and cost as alternative perspectives on the same question naturalises the idea they should be complementary.

Table 6.3 – Sub-practices of *reconfiguring quality*

Practice	Definition
<u>Blurring quality and cost</u>	Representing quality as positively correlated with cost: as if they are the same value or joint consequences of an intervention
<u>Satisficing and instrumentalising quality</u>	Casting quality as a value to be safeguarded, not maximised; and/or repurposing its language to pursue financial ends
<u>De-valuation</u>	Avoiding a situation's moral implications

The practices constituting **reconfiguring** were completed by de-valuation, which described various efforts to avoid or contain a situation's moral contents. This was often recognised through emotional work, including dark humour. One manager described their colleagues as 'just get[ting] on with it', rather than worrying about wider debates about austerity. 'I think there's kind of hope', they continued, 'that people will recognise that the NHS is really important and – somebody will save it from destruction [laugh]'. When I asked about the prospect of 'destruction', they described painful stories about friends and colleagues who had left the service. Their laughter represented no glee but a way of containing the otherwise morally and emotionally fraught situation.

At times, **reconfiguring quality** inhered largely in discourse, at others in structural change. It was not restricted to diminutions of quality, but extended to attempts to protect or extend it.

What material coded under **reconfiguring** held in common was that it positioned quality or elements thereof relative to other organisational values.

Conducting and contesting financial tests

The fourth core practice was **conducting and contesting financial tests**. Unsurprisingly, organisations under austerity spent extensive time and effort designing, implementing and disputing financial tests. These were collated into **conducting and contesting**.

The data coded here generally described tests evaluating progress against some financial plan or other. Some were formal – like formal reviews of budgets in governance fora, others less so – like in-passing questions about the progress of an individual saving. With the proliferation of measures of financial progress, organisations featured budgets, multi-layered CIP structures and increasingly varied presentations of spending data. Evaluations of performance against financial plans became increasingly commonplace.

Such evaluations against financial plans had become routine. Yet they were sometimes challenged, producing justifications of them; or were themselves used to evaluate departments' or managers' worth. In one such instance, one manager was requesting additional staffing for their department relative to senior managers' plans. Senior staff responded that this might be possible, but the manager would 'have to justify those additional two' because they exceeded the number specified in the organisations' external contracts. Organisations' financial plans tended to be backed by justificatory imperatives characterised by industrial and market values.

This practice captured not only the use of financial tests, but also techniques to resist them. It is not alone in including the resistance which interventions in the world face as part of the same practice or 'engagement': this is key to Thévenot's way of seeing the world. What is distinctive here is that this resistance became so commonplace (see Chapter 13). One set of meetings at Dryas involved central and divisional managers discussing divisions' financial performance in a given year.

A manager spoke about their division's financial outcomes. Achieving balance was 'always going to be very tough', they said, conceding that they had 'underperformed'. They highlighted, however, that they had achieved the percentage savings requested of each division if you based that on last year's actual spending (including last year's overspend) rather than on its budget. 'Though everyone is having to do more than [this percentage]', interjected a central manager. With a conciliatory gesture, the divisional

manager said that this was in 'no way a justification'. However, 'is the budget appropriate? I'm not sure we bottomed that out'. 'Again, it's not an excuse', they added, as the central manager pursed their lips.

This interaction illustrates one of the subtler instances of managers responsible for divisions questioning the financial yardsticks against which they are evaluated. Emphasising the difficulty of the target and suggesting they never 'bottomed...out' whether it was 'appropriate' relativises their missing it: failure should not, they imply, preclude positive valuation. Yet the central manager's frustrated response emphasises such arguments' contestation and uncertainty. Such disagreements focusing on the propriety or otherwise of mechanisms by which evaluated units were judged was characteristic of a practice labelled differentiating the tested. It included both central efforts to construct mechanisms to differentiate those performing well from those performing badly and resistance to such mechanisms.

This was frequently the most prominent element of financial tests, and that which was most directly contested, but it was far from the only one. Table 6.4 highlights the breadth of mechanisms through which financial tests were implemented and contested.

*Table 6.4 – Sub-practices of **conducting and contesting financial tests***

Practice	Definition
<u>Differentiating the tested</u>	Creation, use and contestation of measures or devices with which to distinguish between the worthy and unworthy
<u>Configuring tested actors</u>	Determining and disputing roles in an evaluative process: principally, determining who is responsible for an outcome and therefore to be tested against it.
<u>Asserting and contesting test centrality</u>	Affirming and disputing that a given evaluation is not simply legitimate but of central importance.
<u>Enforcing and averting tests</u>	Imposing or avoiding evaluative structures not by questioning their propriety but by acting to enforce or evade them (e.g. through authority or withholding information).

At times, disputes centred on the actor which should be undergoing evaluation: should something be a divisional, organisational or systemic responsibility? As one set of meetings began, managers explained that they were there to support divisions in making savings plans. Central managers were there to 'help you', to ensure 'constructive dialogue' and give

‘feedback’ on developing plans. This management consultancy discourse of providing ‘support’ was often important in attempts to position others as responsible. This technique, alongside more overt efforts to allocate or avert responsibility, was coded under configuring tested actors.

Also observed were disputes about how important a test was, and attempts to avoid discussing a test’s propriety altogether. The former arose when people either felt a test was unlikely to be permanent, or where they could plausibly claim that there were more pressing issues. Such claims prompted resistance of their own, as those implementing the tests responded by emphasising their centrality (asserting and contesting test centrality).

The latter came where those imposing tests found it difficult or unnecessary to argue the tests were appropriate, instead asserting them as fact. This enforcement of tests was often accompanied and followed by attempts to avoid evaluation, particularly by withholding necessary data. Harsher enforcement and more vigorous evasion resisted and perpetuated one another, leading to their being collected as enforcing and averting tests.

As these examples highlight, **conducting and contesting financial tests** was often more overt than other practices. While entailing discursive nuances, it was normally relatively overt when financial tests occurred. This practice was thus usually identified through explicit evaluations and responses thereto.

Reshaping engagements

The final practice was **reshaping engagements**. Staff at all levels found themselves working under policy or governance regimes which struggled in austere contexts. Organisational fieldwork highlighted the challenges staff faced and their ad hoc work to address contexts in which traditional evaluation and coordination mechanisms failed.

One manager described their style of management thus:

Hopefully, it’s not nagging in a ‘Oh my god, [interviewee]’s coming. Everyone run’ but it’s ‘OK, what are we doing today? What are we doing today? What are we doing today?’ It’s Forth Bridge stuff. You know, you cannot take your foot off the pedal. You’ve got to keep doing it every day and some people like that kind of work and some people can’t stand it...So coming in and thinking, ‘I won’t worry about this today’; you can’t.

This interview extract emphasises work’s incessance. The repeated ‘what are we doing’ highlights not only the continual pressure of work the interviewee perceives, but also the

uncertainty within it. This contributed to a pattern of interviewees reporting increased work demands, and inter-goal conflict. The interviewee quoted above continued by observing that ‘it’s the little things that make massive differences. [In one scenario], if you find three beds, you’ve sort of – kind of solved the problem’. In a context of large-scale pressures, the need for such ‘little’ or esoteric solutions also became a common strand in how people described their work.

Such extracts were captured as a practice named marrying the inconsistency. This name was drawn from a Dryas manager whose role involved encouraging divisions to make requested savings. One challenge was the need to ‘marry the inconsistency of what we’re asking them to do [saving more while doing more]’: seen from the outside, it ‘doesn’t make any sense’. The need to deal with apparent ‘inconsistencies’ through extra work or ingenuity was central to marrying the inconsistency and **reshaping engagements**. Marrying sprang partly from the coordination difficulties staff faced. Table 6.5 catalogues it and three further practices which attempted to replace or work around such dysfunctional systems.

Table 6.5 – Sub-practices of **reshaping engagements**

Practice	Definition
<u>Marrying the inconsistency</u>	Attempts to resolve contradictions created at higher levels. Includes moments such contradictions become manifest.
<u>Moral separation</u>	Avoiding <i>justificatory</i> coordination: practices that create separate moral domains for oneself and others, or which separate others’ claims from moral consideration.
<u>Re-structuring savings programmes</u>	Attempting novel <i>planned</i> coordination: responding to ineffective savings management structures by deconstructing, replacing or supplementing them.
<u>Familiarising coordination</u>	Attempting novel <i>familiar</i> coordination: understanding another’s practice or performance by developing close, corporeal or intimate connections with them; but also operating scrutiny through such intimate or corporeal channels

One dominant pattern within fieldwork was the creation of new structures through which savings could be managed. Sometimes this was formal – like creating new organisations or units to manage savings. At others, subtle criticism of existing governance could gradually precipitate changes. Such efforts were characterised as re-structuring savings programmes.

They were characterised by attempting to replace or augment existing governance structures. This was identified through attempts to establish new plans or fora, and criticisms of prior practice.

This was not the only way people seemed to respond to existing governance systems becoming problematic. Some concluded that formal planning alone was insufficient, and emphasised a more intimate, personal coordination style. Familiarising coordination was often evident through meeting observations in which familiar or personal language became intermixed with organisational concerns. It was also present in an increase in the language of corporeality and intimacy: for example, at one Dryas meeting, staff became frustrated with existing governance systems. They decided to get the staff they wished to monitor 'in the room', wishing to improve their 'sight' of them.

Finally, people responded to coordination difficulties by avoiding potentially inflammatory discussions. This could be done by simply omitting to criticise senior choices one might otherwise have disagreed with, or by separating oneself from agendas one disagreed with. There was not unanimous agreement within Dryas that the emphasis given to cost reductions was appropriate. I asked one divisional manager at Dryas about their aims. Their answer distinguished success 'for the [Division]' (quality and compliance goals) and 'for the big organisation' (highlighting budgetary objectives). Managers frequently differentiated between central (or national) goals and their own, particularly when those higher-level goals were uncomfortable. Rather than overtly contesting the organisation's goals, managers cast them as other people's business, affiliating themselves instead with departmental values. Such efforts to segregate oneself from potential moral controversy was coded as moral separation.

Management approaches designed for prosperity struggled under austerity's pressure and uncertainty. Re-structuring savings programmes, familiarising coordination and moral separation each attempted to address resultant coordinative problems. Where they failed, marrying the inconsistency's ad hoc, emergency-management style became vital. Accordingly, these practices were both thematically related and interlinked, resulting in their aggregation into **reshaping engagements**. All attempted to respond to breakdowns in evaluation or coordination by changing the spaces in which that evaluation or coordination occurred: this characterised **reshaping**.

Practices of austerity management

The above identifies five core austerity management practices. Table 6.6 defines them and lists their sub-practices. This chapter describes these practices' formation.

Table 6.6 – Austerity management practices

Practice	Definition	Sub-practices
Attaining tenuous futures	Constructing and disputing the financial situation and justifying how a jeopardised financial future can be reached.	<u>Bridging</u>
		<u>Constructing and managing crises</u>
Constructing possibility	Creating and questioning objects that embody possibilities and plans, through discursive techniques and the construction of objects and datasets.	<u>Packaging savings objects</u>
		<u>Constructing the good organisation</u>
		<u>Juxtaposing savings objects with familiarity</u>
Reconfiguring quality	Formulating what healthcare quality is, how it relates to other values, and its relevance to given situations.	<u>Blurring quality and cost</u>
		<u>Satisficing and instrumentalising quality</u>
		<u>De-valuation</u>
Conducting and contesting financial tests	Financially evaluating individuals or units; creating or challenging components of those tests, like measures, actors or pertinence.	<u>Differentiating the tested</u>
		<u>Configuring tested actors</u>
		<u>Asserting and contesting test centrality</u>
		<u>Enforcing and averting tests</u>
Reshaping engagements	Responding to breakdowns in organisational structures coordinating activity by amending, replacing or bypassing those structures. Goes beyond simply creating a new test or measure of success to alter the engagement in which those measures are involved.	<u>Moral separation</u>
		<u>Re-structuring savings plans</u>
		<u>Familiarising coordination</u>
		<u>Marrying the inconsistency</u>

Speculating excessively on these practices' implications would pre-empt the following chapters, which examine their organisational roles through detailed case studies. At this stage, however, three observations are unavoidable.

First, each practice appears to be characterised by severe instability. Of course, a study motivated by Thévenot's theory is likely to highlight the resistance which interventions in the world receive. However, it takes little theoretical ingenuity to identify frequent direct efforts to dispute or amend the financial situations and futures constructed (**attaining, constructing possibility**), the evaluations deployed (**reconfiguring quality, conducting and contesting**) or the coordinative structures through which they operated (**reshaping**). This appears to corroborate the importance of unstable routines (Ferlie and Judge, 1981) and images of the situation (Rubin, 1977) while suggesting instability may stretch further.

Second, these practices indicate that managerial effort in addressing austerity goes beyond determining what is to be saved and monitoring progress. Detailed and time-consuming work to construct an approachable situation is already evident. This corroborates Behn's (1980) observation of the importance of beliefs about the situation, and lays groundwork for discursive analysis of how such disputes proceed. Conversely, it casts both most of the austerity management and EW literatures as sharing a limitation (Raudla et al., 2015). Both focus much more on how the situations they are interested in are addressed, and much less on how people understand those situations in the first place.

Finally, it highlights the frailties of models of management built in times of plenty when applied to austerity, and staff's extensive work within those systems in addressing them.

Reshaping particularly foregrounds this activity by senior managers facing Government policy and junior staff encountering organisational dysfunctions. This commends this study's multi-level approach and emphasises the problems with an austerity management literature which leaves core ground-level actors so poorly understood (Williams, 2015).

These observations highlight these practices' importance, but all remain tentative. These practices are best understood by interrogating their roles within individual cases and investigating their interplays across time. To this end, the next three chapters detail this study's three organisational cases.

Chapter 7: Dryas: case narrative

Introducing Dryas

Dryas is a large mental health provider in a major city. It operates several hospital sites and many community-based services. Its large, diverse local population is spread across several Clinical Commissioning Groups (CCGs). Alongside local services, its 4,000-5,000 staff provide national specialist services while engaging in significant research. Dryas has strategic relationships with other hospitals, including other mental health trusts and nearby acute providers. As research began, it operated a moderately devolved structure of specialty-based divisions.

Dryas espouses a strong commitment to quality and is generally considered a high-quality provider. It routinely scored well on national performance indicators (e.g. waiting times, readmissions) and CQC inspections had not raised major overall concerns. Despite the financial context, 2016/17 saw Dryas invest in a new quality programme.

Dryas faced significant austerity pressures. While historically avoiding deficits, participants reported Dryas's budgets tightening since 2015. In 2015/16, Dryas posted an operating deficit of 5-7.5% of income. In 2016/17, only Sustainability and Transformation Fund (STF) income avoided a deficit. Like many mental health trusts, Dryas sought proportionally smaller savings than many acute trusts, but started from lower baseline funding (King's Fund, 2018a). Relying heavily on activity-independent funding, mental health trusts are vulnerable to the rising need austerity brings (Karanikolos et al., 2013, 2016).

Historically, Dryas had responded to austerity through annual Cost Improvement Programmes (CIPs). Tougher recent financial forecasts had meant growing CIPs. By 2016/17, Dryas aimed for CIPs worth 7.5-10% of annual income. In early 2016, it hired external support to oversee its CIP. Latterly, Dryas had begun hiring more staff to manage CIPs in detail through the so-called Projects Office.

Processual analysis identified four periods. The first (June-September 2017) covered the Projects Office's set-up and early work. As its detailed CIP monitoring model faltered, the second period (October 2017) saw a series of exceptional meetings between senior management and each division to scrutinise their finances. This precipitated a third period (November-February 2018) focused on making additional savings this process identified and planning for 2018/19. By this period's close, projections remained short of the 'control total' NHSI demanded Dryas achieve. Yet (March 2018) Dryas eventually submitted a plan promising to meet this control total. This chapter explains each period.

Period 1: Cost Improvement and reframing (June-September 2017)

The savings programme

Dryas had been delegated substantial savings. Senior managers expressed misgivings about their extent and austerity more broadly. While Government had attempted to justify these savings, many rejected their arguments. Senior managers thus found it difficult to justify the savings requested. Nor were they unaware of their own roles' ambiguities. One worried that, by making savings, they were 'an enabler' of continued financial restraint.

Senior managers felt obliged to make savings, fearing regulatory intervention otherwise. While disbelieving Government justifications, managers were unhappy to simply designate unjust the savings they asked of subordinates. I asked one manager whether the savings Dryas asked of divisions were fair:

It has to be – it has to be, it's not fair to health services, I cannot take you know in many ways they have to decide where, of course it's not fair, this is not, I mean what the Government is doing is not fair. If I want Dryas to survive I have to play my part.

Alongside savings, Government had delegated to Dryas a justificatory problem: unfair savings had to become fair. Unpersuaded of Government pro-austerity claims, managers were unlikely to achieve this by arguing any given service deserved to lose money. Consequently, 'fairness' was understood in terms of proportionally equal distribution of savings requirements. This 'internal fairness' logic precipitated an across-the-board approach, in which divisions were asked for savings worth equal percentages of their budgets.

Divisional staff apparently engaged willingly with this practice. They generally described themselves as attempting to save, explaining this through a similar 'internal fairness' logic. 'If you don't', reasoned one manager, 'somebody else somewhere within the organisation has a big gap'. Yet managers did not always see each other as similarly committed, sometimes criticising others for shirking this 'responsibility'. The internal fairness logic apparently maintained broad support for savings, but while enabling acrimony towards those supposedly not doing their fair share.

Two practices were important to this work. First, Government had delegated to Dryas a justificatory problem. Seen in their national context, these savings did not seem 'fair'. Consequently, senior managers bracketed that national context, evaluating savings as solely organisational phenomena. By separating organisational savings requirements from their national causes, managers engaged in moral separation, a form of **reshaping engagements**.

This succeeded: staff generally accepted savings as a question of internal fairness, not national policy. But achieving this required managers' ongoing moral work. It also predisposed Dryas to 'across-the-board' savings which were easier to justify through this 'internal fairness' logic.

This narrative relied on treating Government spending choices as unavoidable context, not choices subject to critique. When the manager quoted above says, 'If I want Dryas to survive, I have to play my part,' Government spending decisions have become background context for a managerial decision charged with an existential threat. Constructing this background of financial jeopardy defined the second practice important here: **attaining tenuous futures**.

This practice let managers treat Government decisions as mere backgrounds to organisational choices and emphasised the need for colleagues to save. Managers stressed NHSI's increasing intervention in financially failing organisations. Some saw references to NHSI's 'henchmen' as a ploy to cajole colleagues into savings.

Regardless its intention, this practice seemed to encourage anxiety and budgetary compliance. One manager observed that their colleagues 'already understand there's a black hole', defined as 'what NHSI has mandated' they save. Managers generally accepted Dryas's budgetary limits as inevitable. Bemoaning one's financial situation was seen as unhelpful and asking for more money outside budgeting rounds appeared taboo.

However, staff did decry their division, organisation or sector's *comparative* funding levels. Others outwardly criticised the savings senior managers requested. One interviewee described what they saw as 'very poor' management decisions precipitating excessive demands on their division. Overall, however, the combination of **reshaping** and **attaining** described above successfully advocated savings through an 'internal fairness' logic backed by the threat of regulatory intervention.

Nevertheless, this left Dryas entering 2017/18 with a substantial CIP, a quarter of which remained unassociated with concrete plans. Nor were CIPs Dryas's only savings. Commissioners asked some services for QIPP savings (QIPPs). QIPPs were supposed to represent agreed schemes; but Dryas staff argued that some were simply budget-line reductions. QIPPs were unevenly distributed across divisions, leaving some divisions particularly severe targets.

The Projects Office

Persuading staff savings mattered was insufficient. Managers felt Dryas lacked an effective savings governance mechanism. A new unit was created to fill this gap. The Projects Office was

characterises the Programme Management Office (PMO) approach to CIP monitoring which national guidance suggests (Audit Commission and Monitor, 2012).

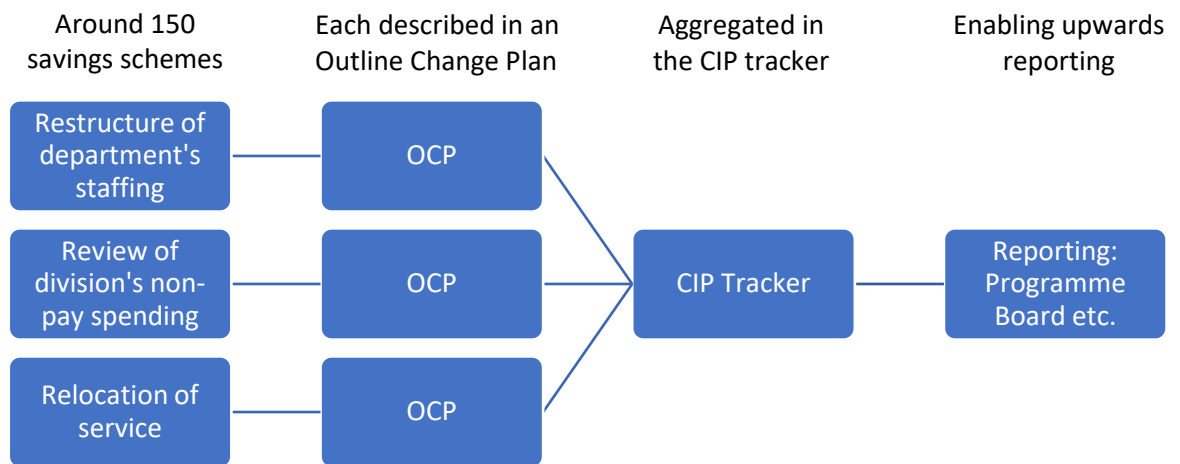


Figure 7.2 – Key CIP documentation

These documents enabled an intensive monitoring cycle. Each division reported monthly to a senior manager. In preparation, they were expected to liaise with Projects Office staff to update the CIP Tracker and facilitate reporting. Meeting the senior manager may prompt actions, or formal escalation. These meetings fed into a monthly Programme Board which generated further actions. The cycle's intensity left only days to respond to one step before the next arrived. This, one Projects Office manager acknowledged, might feel 'a bit relentless'. This cycle structured Project Office activities and time. A copy was agreed to be displayed on their office wall, and managers said the cycle told staff where they were in the month.

Two practices were important in creating the Projects Office. The setup itself involved creating and continually establishing a new savings unit. This setup altered the organisational domain managing austerity, thus exemplifying **reshaping engagements**. But **reshaping** did not stop once the Office was formalised. One interviewee described how savings ideas were continually **reshaped** into this structure:

So we effectively move all of the selected schemes into the mandate, so we all – we sort of say, 'Right, you're, you're now – you know, your scheme was selected'. We build them a portfolio each, so each department gets its own portfolio. When the, when the Projects Office is in full, they will get their own Project Manager. So the Project Managers will have their own

portfolios; the aim being each Project Manager will have, probably, the Clinical Service portfolio and a Non-Clinical Service portfolio.

The manager describes creating structures for others' work, monitored by as-yet unavailable earmarked members of staff. Thus was the Office to repeatedly establish itself as a way to structure savings efforts across Dryas. However, particularly given the Office's cobbl[ed]...together' nature, this was a gradual process of creation and tweaking. Not only the Office's formal setup but also these ongoing efforts to establish and amend it exemplified **reshaping engagements**: a practice characterising the Office.

As the Projects Office became established, so did its CIP monitoring approach. CIPs were hypothetical savings at various stages of development from ideas to completion. Yet they were treated as if 'real' objects. The language describing them was highly physical. Even hypothetical savings ideas were 'shapes emerging from the...gloom'. Inventing savings ideas was 'identif[ying]' them; managing them well was 'fix and grip': verbs generally acting upon material objects. Even accounts of failing savings reinforced this physicality. One interviewee described a major 'gap':

Yeah, so one of our departments had reportedly schemes in place for 100% of its targets and when we opened the box {laughter}, 30% of them were empty. There was no substance behind them whatsoever.

CIPs are described as 'box[es]', purporting to have 'substance'. Failing CIPs are 'empty', implying that true CIPs would contain substance. Even announcements that some CIPs were insubstantial reinforces the substantiality of CIPs in general. When CIPs thus proved insubstantial, they were said to create a 'gap', much as removing a physical object might.

Not only was this metaphor of CIPs-as-objects discursively prominent, it was also reinforced by how CIPs were monitored. Generally, plans were reported as aggregated figures calculated from the CIP Tracker. Only when things went wrong were individual schemes highlighted. The default presumption was thus that these savings objects remained intact. The layers of documentation between the work of making savings and the reports senior managers received helped concretise those schemes. Packaging myriad savings schemes into reports and CIP Trackers made them seem more 'substantial' objects.

Combined, this organisational discourse and measurement formatted hypothetical savings as solid, substantial objects. It thus made these possibilities seem more immediate, fulfilling the definition of **constructing possibility**. Arguably, by structuring and aggregating savings, this made them more manageable, and made holding divisions to savings commitments easier.

However, it also obscured the specific difficulties with any given scheme. Indeed, while labelled Cost Improvement *Plans*, some CIPs started the year as ‘unidentified CIPs’ – savings *without* associated plans. Yet bundled up and aggregated with actual plans, they seemed deceptively concrete. If reifying savings helped persuade divisions savings could be ‘realised’, so too it underplayed to senior management the risk that they might not be. Simply ‘realising’ what seemed like already-existing objects sounded too simple.

This effect should have been mitigated by the Projects Office’s tracking and risk-rating schemes. Yet this was an enormous task: the CIP Tracker described about 150 schemes. This created what project managers called a ‘granularity issue’: there were schemes they understood poorly. One manager feared ‘green zombies’: schemes rated low-risk because they were too inactive for the Projects Office to notice they were behind. Monitoring progress remained difficult. **Constructing possibility** was central to the Projects Office’s approach. It arguably helped make savings but overstated those savings’ reliability.

The Projects Office hoped to standardise schemes through not only standardised documents but also common evaluative criteria. Among these was a 4:1 Return on Investment (RoI) threshold: for every pound a scheme cost, it should save four. This was justified on the basis that costs and returns were unpredictable, so CIPs with lower planned RoIs risked losses.

But the Projects Office’s ambitions stretched beyond CIPs. Managers felt its programme management methodologies were applicable to other savings and non-savings initiatives. One argued:

So people quite often say, ‘Well, I want, I want erm, a Control Assurance function for my CIP – for my cost improvement because I’m scared stiff of that because I’m – it’s getting harder and harder to deliver. I’ve got this stuff over here which is my Quality Programme which is totally different’. Fundamentally wrong in my opinion. It’s not; they’re exactly the same – quality is about cost and is not separate.

For this interviewee, an all-encompassing Projects Office can manage all projects because quality and cost are ‘exactly the same’. This contention is explained by an argument Projects Office staff often made: if you reduce errors, this improves quality and reduces cost. More reliable processes are better all round.

This argument exemplifies a common practice in Dryas: **reconfiguring quality**. Here, quality becomes ‘about cost’ because it is reconceptualised as the absence of error. It becomes about the reliability with which acceptable outcomes are produced, not getting *better* outcomes. As

one manager argued: ‘unless you’re actually going to do more than you’re expected to, somewhere quality will have a cost drop out of the system’. While quality advocates might suggest one should do more than the minimum, this idea seemed outré to this manager. By reconceptualising quality as the absence of error, this practice blurred the difference between quality and cost. This supported the claim that the Projects Office should manage quality projects too.

Over time, the Office’s reach would indeed spread. CIPs’ organisational prominence meant that Projects Office-led programmes were visible and prioritised. The Projects Office saw including other projects and departments in their framework as doing them a favour. It made them organised and visible. One Projects Office manager felt that IT’s business plan insufficiently justified their work. They offered to work with them to impose the Office’s 4:1 RoI threshold. This should be a ‘godsend’ to IT because it ‘gives them a reason for being’. The manager similarly suggested ‘going back to that RoI of 4:1’ could help ‘make [the Quality Programme’s work] real’. Being ‘real’ meant being judged within Projects Office structures.

Those structures had been built for financial improvement. Projects Office managers altered documents to accommodate non-savings-oriented projects. To accommodate quality projects, what were once Outline Savings Plans were rebranded Outline Change Plans, and nonfinancial sections were added. Yet the RoI threshold, timescales and management style of the finance-focused CIP structure remained.

These structures accommodated some quality initiatives more readily than others. One manager described attempting to fit a quality project into the 4:1 RoI structure. They flexed their understanding of RoI to enable this, engaging in creative accounting involving ‘notional’ staff time savings. However, this seemed likely easier with process-improvement quality projects than those focused on patients’ experiences. Towards this Period’s conclusion, a Project Manager announced the Quality programme was ‘finally...coming into the fold’. Proven quality initiatives would be managed under ‘our’ governance, so there would be ‘eventually a cost improvement coming in’. Later that week, there was to be a ‘quality’ workshop focused on bed recovery: a prime financial concern for Dryas. **Reconfiguring quality** to make it compatible with cost reduction was important to the Project Office.

The problems

Notwithstanding this detailed monitoring infrastructure, Dryas faced two problems. First, a ‘bed crisis: with insufficient beds to meet high demand, Dryas was paying for ‘overspill’ into private facilities. This expensive move involved transporting patients many miles. By June,

Dryas had 'basically been in continual escalation' for several weeks. Entering an emergency management orientation, Dryas saw frequent calls between senior managers to monitor overspill, and phrases like 'gold' and 'silver command' became part of its lexicon. This required extensive senior input and high divisional workloads. In one manager's words, 'you cannot take your foot off the pedal'.

Simultaneously, the Projects Office had identified a major 'gap' in Dryas's savings plans. Among other problems, schemes worth 30% of the Psychosis division's savings had been recategorised as non-existent or high-risk. This dented Dryas's outlook early in the year. Managers were concerned about a possible regulatory response to this 'gap'. Accordingly, they explained how they would fill it, telling NHSI that non-recurrent and 'balance sheet' measures could cover the shortfall. 'Balance sheet' measures are accountancy devices that create more favourable reported financial outturns without substantively changing organisational activity.

Internally, managers sought more substantive measures. Accordingly, they quickly revised divisional CIP targets. This was based more on intuitive judgement than calculation: 'It was – not arbitrary but [based on what] seemed reasonable'. This change precipitated disputes about the new targets' fairness. Given Dryas's strong internal fairness ethos, such critiques were taken seriously, and senior managers could not always persuade divisional staff to accept 'unfair' targets. Some distinguished their original CIP obligations from these additional requests, treating the latter as somewhat optional. This ongoing disagreement made meeting Dryas's budgetary targets harder.

To ensure savings were made, corporate staff worked increasingly closely with divisions deemed struggling, like Psychosis. With its schemes devalued, Psychosis was escalated to Programme Board where it presented several recovery plans. These included 'reproviding' services targeting specific communities. 'Reprovision' was a common term used to denote services stopping through one channel but similar ones coming through another. It was less toxic than 'closure', but often implied one service channel would close.

Even after such changes, Psychosis remained off its CIP target. Programme Board placed it in a 'recovery' process involving weekly meetings with a senior manager. This process considered major steps, like closing Unit 1, a step-down facility struggling to break even. In mid-September, a workshop brought together finance and clinical staff to seek a viable model for the unit.

These events highlighted two organisational practices. Emergency 'escalation' to address the beds crisis and divisional financial recovery both created new structures to address challenges for which standard processes were ill-suited: both involved **reshaping engagements**. Within these processes, revision and patching of budgets exemplified **attaining tenuous futures**, which includes efforts to make budgetary numbers add up.

Reframing savings

The subsection above presents resetting divisions' CIP targets as a relatively smooth process. Yet it was anything but. This became clear at a Programme Board meeting discussing this issue:

A Projects Office manager projected onto a screen figures describing the suggested revised savings targets. They uneasily explained that this was a raw Excel sheet to engage senior managers in planning. While unaccompanied by Finance staff, they repeatedly emphasised the figures had been devised with Finance.

Extensive questions followed. One senior manager asked the amount of savings they were looking for. The Projects Office manager pointed to a figure worth half the CIP 'gap'. The spreadsheet was, they emphasised, a working document.

Later, another manager asked how CIP targets related to overall overspend. If divisions met these additional CIPs, would they be on-budget? The Projects Office manager replied that meeting these additional requirements would fulfil their CIP targets. But those targets are part of their budgets, asked the senior manager? Insofar as this was true, replied the Projects Office manager, it meant they would be on budget.

The senior manager continued that they did not recognise the figures provided for their division: it looked like the 'process had gone wrong'. They described the best-case scenario which would not happen 'in anyone's dreams'. Another senior manager said that the comment about 'in anyone's dreams' was important: they needed a realistic analysis, not 'paper' exercises. Another senior manager described themselves as 'immensely irritated': why were Finance absent? They were not even getting to reality when discussing a division whose meeting 'you sat in on, [Projects Office manager]'. If they 'can't do that correctly', the manager continued, they had 'no faith' in the other figures. They ended the meeting early.

For the Projects Office, this meeting should have seen senior managers agree new standards to evaluate divisions' financial performance. It went badly wrong. The figures presented failed to offer senior managers certainty and stability. The Projects Office manager seemed uneasy about the figures and how they were presented, repeatedly half-apologising for their format and presentation. The figures thus seemed unfinished, opening questions about their accuracy.

This was itself important but also signalled two longer-term trends that precipitated substantial alterations in savings management. Most obviously, with the figures already seeming unstable, one manager successfully challenged their division's suggested targets' appropriateness. With the guarantee of accuracy thus undermined, the wider reliability of the figures unravelled. The whole construction became branded unrealistic, a 'paper' exercise. The Projects Office relied on being trusted to produce such figures. That 'faith' was damaged.

This was an important moment in a longer-term trend. When the Projects Office identified the 'gap' in June, they attracted praise for discovering that, in their words, 'the substance isn't there' within certain schemes. However, this also highlighted that the CIP Tracker's schemes were not universally substantial; it seemed a less reliable way to track and evaluate performance. When this meeting saw the Projects Office fail to fill the resultant financial 'gap', this unreliability seemed more problematic.

There were underlying problems with CIPs' accuracy. As described above, the Projects Office was hurriedly established. In October, Projects Office manager would observe a 'quality issue' with OCPs. In the initial 'rush to get them out the door...get them into the CIP Tracker', OCPs' quality had suffered. Attempting to catalogue plans in this detail left questions about that information's accuracy. Managers outside the Projects Office echoed this concern, worrying that insubstantial savings ideas were getting on the CIP Tracker and being treated as real.

Yet even had CIP data seemed unimpeachably accurate, maintaining the idea CIPs effectively monitored divisional finances would have been difficult. The meeting above saw managers question the relationship between CIPs and overall finances. This divergence became increasingly pertinent. Partly because of the costly 'bed crisis', Acute experienced rapid changes in spending unlinked to CIPs. This decoupled their overall financial outcomes from CIPs. As CIP-focused Projects Office staff saw it, the division had 'made [their finances] so complex that you can't unpick [them]...a nightmare'. By mid-September, the Office no longer attempted to manage Acute based on CIPs.

By October, finances outside CIPs became more turbulent across divisions. CIP performance and overall finances drifted further apart. An early October Programme Board saw senior managers again query how divisions' CIPs and overall finances related. A Projects Office manager repeatedly emphasised they tracked CIPs, not overall overspend. But senior managers concluded this was insufficient: meeting CIPs was no good if one still went off budget. It was decided that Programme Board – a forum designed to monitor CIPs – should monitor divisions' overall financial position too.

Constructing and contesting financial tests was central to the processes this subsection describes. Projects Office managers attempted to instate new CIP targets as Dryas's core financial test. However, data reliability problems and underlying financial instability undermined CIPs' value as predictors of financial performance. CIPs themselves became contested and an alternative test – the overall financial position – gained precedence.

This affected not only the measures of financial success deployed but the fora in which this happened. The Programme Board which decided to start monitoring the overall financial position, also questioned the robustness of CIP governance. Instead, managers commissioned a series of exceptional 'Senior Scrutiny' meetings between divisions and senior management to find new savings: once again, **reshaping engagements** by altering the organisational domain in which evaluation occurred.

Operating outside the CIP process, these Senior Scrutiny meetings would produce separate in-year savings. The Projects Office's existing CIP-focused approach was increasingly displaced as 'hard' trade-offs between cost and quality seemed more likely.

Period 2: Scrutiny (October 2017)

Senior scrutiny

This period's activities concentrated on the Senior Scrutiny process requested as Period 1 ended. To facilitate this, the Projects Office created a suite of 'Pareto charts'. Rather than examining department or spending-category finances, these disaggregated divisions' finances into individual budget lines, comparing their budgeted and actual spending. They were then ranked from greatest deficit to greatest surplus. The aim was simple: in one Projects Office manager's words, 'keep the good, resolve the bad'. Accordingly, only deficit lines were totalled, supposedly identifying the total divisional savings available by rectifying 'bad' budget lines. The top 80% of deficit lines (by value) were highlighted for discussion during Senior Scrutiny meetings.

Projects Office managers used these documents to highlight areas of supposed overspending ripe for correction. Compared to CIPs, these new devices had a broader scope – the whole budget; and a more detailed, forensic focus. Accordingly, they were more threatening and accompanied by an oppositional tone. Projects Office managers were encouraged to ‘keep your wits about you’ when speaking to divisions, as if anticipating trickery. Pareto charts’ aim was described as avoiding the ‘nice’ overspend figures divisions recognised, instead creating a ‘horrible number’.

They were used to suggest savings were possible and necessary:

A group of divisional managers arrived at their Senior Scrutiny meeting. After characterising the financial situation, a central manager said they assumed that the division had agreed the figures, pointing towards Pareto Charts in front of each attendee. A divisional manager said that they had seen them yesterday. The central manager described the issues they wanted to address, which corresponded to budget-lines towards the top of the Chart. Specifically they wanted to talk about the division’s plans. A central colleague continued that the division should remember that, if they cannot recover, ‘other measures’ will be necessary. What ‘worries me’, they added, ‘is that there have been *no* new plans’. They were unreceptive to claims that such savings were too hard: ‘if we accepted that – because everybody says that – we would be bankrupt’. (Fieldnotes paraphrase)

Pareto Charts shaped these meetings. By asking divisional colleagues whether they had agreed them, central staff attempted to establish them as devices based on which the meeting can proceed. Thus agreed, they became maps of available savings: overspent budgets were treated as self-evident indicators of latent savings. The Charts helped to **construct possibilities**.

But they did more than this. With the threat of ‘other measures’ should divisions fail to realise these savings, they also became ways of evaluating divisions. They helped senior managers judge divisions against more generalised standards. This meant objections that savings were contextually unfeasible held little water. In the central manager’s words: ‘if we accepted that – because everybody says that – we would be bankrupt’. Compared to such a generalised standard, such objections were not indicators of specific divisional problems but just the usual complaint. Standardising the format of financial information helped turn specific divisional objections into instances of generic protests. This helped managers in **conducting and contesting financial tests**.

Nevertheless, these Charts remained vulnerable because they were poorly established. For divisions like Psychosis, these meetings prompted serious changes. Psychosis was asked to restructure their management and develop a business case presenting options for Unit 1. But others disputed the terms of the meetings and Charts. Sometimes, they destabilised the Pareto Charts by highlighting that budget lines they treated as independent were deeply intertwined. Such divisions may be told to tidy their accounting but were better able to avoid further savings.

The meetings themselves were also comparatively unestablished, enabling divisional representatives to reposition themselves within them. While divisional staff were there to be evaluated, some repositioned themselves as commentators on others' work. They might describe themselves as disappointed with their division's progress or criticise organisational strategy. This could be strikingly successful. Such staff were often asked to summarise at ends of meetings – something central managers otherwise did. These meetings' relatively inchoate nature enabled staff to avoid evaluative elements by altering their role within them.

These meetings represented relatively inchoate environments featuring novel and contested measures of what was financially possible and necessary. They were thus the result of the **reshaping engagements** which finished Period 1, but themselves centred on two other practices. Disputes over the potential savings Pareto Charts constructed epitomised the creation and contestation of savings objects characterising **constructing possibility**. Such potential savings were not value neutral: divisions were criticised for having too many such areas of waste, and often resisted such evaluations. This is characteristic of **conducting and contesting financial tests**. The construction of evaluative devices based on hypothetical savings wove together these two practices.

Perhaps aware that these meetings were relatively unestablished, senior managers routinely began them by positioning them within a financial context. They recognised a 'heroic', 'colossal' effort so far but noted the enormity of Dryas's financial jeopardy. The future itself was in doubt: not making additional savings risked 'leaving ourselves with a financial challenge that does not really look deliverable'; next year was looking 'pretty un-doable'. This context, managers apparently hoped, would help persuade divisions that savings were imperative.

In line with this 'heroic' narrative, Scrutiny presented as an exceptional step responding to mid-year financial problems. Yet it was not unprecedented. Following similar pressures, the middle of the previous financial year saw comparable meetings. This urgent mid-year rebudgeting or 'recovery' seemed an increasingly established practice. Such efforts were

underwritten by the presupposition that defined financial outcomes were imperative. As noted above, divisional managers at Scrutiny were told ‘if we accepted that [savings suggested by Pareto Charts were impossible] – because everybody says that – we would be bankrupt’. What was arguable had to be redefined around financial necessity. This construction of a landscape of financial threat demanding plans that numerically add up exemplifies **attaining tenuous futures**.

Governing savings

These meetings signalled two types of **reshaping** of financial evaluation. First, the actions they produced focused on immediate savings and were managed outside the standard CIP framework. Accordingly, the Projects Office tracked them using a new document. This ‘Action Tracker’ and the CIP Tracker coexisted, adding a layer to an already complex monitoring infrastructure. Potential confusion about this structure was emphasised when the Projects Office held a ninety-minute meeting to ensure its own staff understood it.

Second, these meetings signalled and deepened a change in the tone of financial monitoring. In Period 1, monitoring had generally been formalistic, focused on schemes not people. The Senior Scrutiny meetings existed partly to get people ‘into the room’. This fitted a trend of increasingly interpersonal relations and scrutiny. As the Projects Office grew, it became easier to form relationships with scheme leads. Senior staff increasingly emphasised their desire for the Office to deepen its familiarity with projects. Projects Office managers responded by trying to improve their ‘touch’ therewith. Senior Scrutiny, and contemporary CIP monitoring became increasingly interpersonal.

Strategic change

Senior Scrutiny’s sense of financial urgency set the scene for major central changes. For the first time, I was aware of central managers considering treating more expenditure as capital not revenue (‘capitalising’). Only the latter is counted when determining whether an organisation meets its control total.

This Period saw Dryas cease funding any further overspill into private beds. If commissioners wanted patients admitted beyond Dryas’s capacity, managers announced, they would have to pay for it. To their reported surprise, commissioners accepted this. This decision occurred not through a formal strategic review but through an individual manager dealing with atypically severe pressures. Having refused to fund one patient’s overspill, they were called at home in the early hours of the morning by a colleague conveying increasing commissioner pressure to

do so. Tired and frustrated, it was then that they decided ‘beyond this I will not go’: Dryas would no longer fund private overspill.

Both Senior Scrutiny and this late-night decision outside formal structures deviated from Dryas’s standard CIP monitoring structure. Each thus **reshaped** austerity governance, with long-term financial strategy implications.

Period 3: Bridging (November 2017 to February 2018)

Making ends meet

Following the majority of these Scrutiny meetings, Programme Board reviewed the position. Not all savings suggested during Scrutiny were yet quantified, but an apparent gap of 3% of operating income remained. Projects Office staff announced that they would shift focus from monitoring CIPs to identifying in-year savings.

This meeting also received a presentation of longer-term financial planning. This used a ‘bridge’ chart, a bar graph visualising changes in a value based on multiple influences (e.g. Figure 6.1, p.96). Here, it visualised the influences on Dryas’s 2018/19 financial outlook. Called ‘the bridge’, it showed how Dryas planned to cross the ‘gap’ between predicted and desired financial outturns. **Attaining tenuous futures** describes such efforts to enumerate and span this gap.

CIPs were present on this ‘bridge’, but alongside other major influences. The ‘bridge’ showed a ‘reorganisation’ which would restructure Dryas around geographic divisions, not clinical specialties. This meeting decided that this ‘reorganisation’ should make savings between 1% and 2% of annual income. This was a ‘large number’ one manager warned. It was necessary, another replied. As characteristic of **attaining** here, judgements about feasibility bent to financial necessity (see p.122).

This reorganisation could become a broad banner under which other changes occurred, managers agreed. One suggested that services ‘not washing their own face, in that they’re losing us money’ would need to improve or ‘just stop’ in the new structure. The reorganisation became a major part of the bridge, and a container for other reforms.

CIPs had become less central to Dryas’s monitoring of financial change. Not only were other initiatives growing in importance: the atomistic monitoring of 150 schemes had fallen from favour. Staff from Finance and the Projects Office – now under new management – indicated they should instead emphasise a small number of strategic objectives: ‘the fewer things we focus on the better’. At a later Projects Office meeting, one manager reflected that Dryas had

seen 'CIP' as a 'magic bullet' to its financial problems. Instead, they would need partnerships and other major changes. They 'need[ed] to rewrite the terms of reference [for related meetings] – and rewrite is probably a polite term'. These shifts in the structures managing austerity represented a growing **reshaping engagements**.

The focus on next year's big picture seemed to alter how this year's schemes were appraised. Whereas one senior manager previously encouraged the Projects Office to aggressively scrutinise whether plans were 'real', by mid-October they were encouraging them to class schemes as 'green' unless there was a good reason not to: an absence of evidence meant there was 'nothing to suggest it won't happen'. As the 'bridge' revealed a difficult picture of next year's finances even assuming this year's CIPs were made, willingness to believe this year's CIPs were on track increased.

Nevertheless, December's Bridge Chart still made grim reading: a deficit of 1-2% of annual income, even assuming 5% savings. This was an awkward message. A senior manager requested an 'upside bridge' – a more optimistic projection – for communications. Feasibility judgements were apparently shaped partly by a desire for a budget meeting regulatory requirements.

These optimistic efforts were influential examples of **attaining tenuous futures**, a prominent practice in this period. They created significant misgivings among some senior staff. Aware of recent regulatory action against a prominent hospital failing its declared targets, managers were keen not to promise anything they could not guarantee. The tension between the resultant conservatism and the simultaneous wish to report an 'upside' intensified.

Two approaches therefore attempted to reduce the gap. First, Dryas used accountancy mechanisms to reduce their reported deficit. They began stockpiling potential savings which could be realised next year. Dryas had been carrying a disputed debt to NHS Property Services which they no longer feared would be called in. But managers delayed writing off this debt:

Finance managers announced that they were 'stacking up the items we can release either this year or next year' to give the organisation a 'technical basis' to 'take money across year end'. The 'line outside this room', one warned, is that they were not writing off the debt in case payment was demanded. There's 'what we decide, and when we choose to tell the world we've decided', observed another. (Fieldnotes paraphrase)

Under austerity's strains, financial data increasingly became a presentational tool designed to fulfil numerical targets. Such accountancy devices epitomised **attaining**.

Second, senior managers' attitudes towards divisions hardened. For next year, they would require 'really good justification' for any service developments or 'cost pressures' (likely increases in running costs). The tone about the future of Psychosis's Unit 1 also changed. Whereas a meeting in early December had seen Projects Office staff enthuse about plans 'coming together', soon even Psychosis staff seemed resigned to its closure.

Quality and staff

By this stage, cost-reduction measures seemed to carry consequences for quality. Refusing to fund private overspill initially reduced associated costs and patient disruption. Yet consequent problems with patients waiting for admission were highlighted during a quality meeting and again when Acute and central staff met in December. Pressures previously causing overspill seemed to be threatening access.

As such potential impacts emerged, quality started to be discussed differently. Describing Period 1, I noted quality and cost being treated as optimistically compatible. By now, quality discussions increasingly sought just to maintain it at acceptable levels. As Chapter 6 exemplifies (p.100), managers found it necessary to 'redefine quality' around feasibility. This precipitated a new way of **reconfiguring quality**, centred more around satisficing quality than synergies with cost reduction. This practice grew prominent during this period.

Reconfiguring quality was not confined to those ambivalent about quality. Quality advocates often articulated their concerns in the language of harm avoidance ('safety') rather than quality maximisation, to better press those concerns. Arguably prudent given financial scarcity, this reinforced the trend of 'satisficing' quality described above.

With Dryas emphasising harm avoidance, Quality Impact Assessments (QIAs) became increasingly prominent. These were nationally mandated processes in which senior clinicians 'signed off' each scheme and its mitigation of any quality risks (National Quality Board, 2012). Organisations were permitted to screen schemes for risk levels and only formally assess some, but were expected to articulate how such selections were made (NHS Improvement, 2016b). Schemes should not go ahead before necessary QIAs.

It was therefore problematic when new Projects Office managers discovered evidence this had occurred. Dryas had early on had difficulties scheduling adequate QIAs for its many schemes, and associated processes became unclear. This had apparently led to schemes proceeding unassessed. In an autumn QIA, a Projects Office manager said they would 'ask the unaskable' of a senior colleague: what should they do if a scheme is 'on the point of going live' but lacks a

QIA? If this happened, the colleague warned, they would say ‘nobody asked me’, raising their hands in a gesture of innocence. That day, a Projects Office manager emailed colleagues indicating that catching up on QIAs was imperative. Soon after, a Projects Office meeting emphasised that schemes should not proceed without QIAs:

Should schemes be getting out of the development ‘pipeline’ without a QIA, asked a manager? Others replied that they had done in the past. ‘Well, let’s forget the past and talk about good governance’ the manager replied.

That these announcements came rapidly and forcefully suggested an urgent problem to correct. This corroborated earlier observations, in which Projects Office staff discussed stopping projects lacking QIAs as if it was not currently their approach. The rush to get schemes up-and-running apparently compromised QIA processes.

Staff emphasised that no QIA did not mean no quality assessment. Divisional staff would not be suggesting schemes that unreasonably imperilled quality, they argued. QIAs were not the primary quality assessment mechanism but ‘for when people start pushing the boat a bit hard...a safety net’. Routine substantive decisions about quality were a divisional affair.

This represented a further way of **reconfiguring quality**. Central staff increasingly cast quality considerations as someone else’s job: questions managed by QIAs or ground-level teams. I routinely asked managers how they balanced financial and other (e.g. quality) concerns. One Projects Office manager replied ‘Well I suppose at one level this team’s been asked to do the assurance around the savings plans and what we’re doing. And there are other forums where quality and also other things are going on so at some level I don’t.’ Quality was increasingly reframed as someone else’s concern.

However, those working in functions expected to safeguard quality were acutely aware of financial pressure. The financial scrutiny divisions faced inflected internal discussions. One manager described mimicking their superiors’ style of (financial) governance with divisional subordinates. They had senior managers’ concerns ‘playing as a script whilst I’ve got my colleagues in the room’ and posed the questions they expected seniors would ask. Even a more senior manager tasked with monitoring quality described themselves as always ‘carrying that context’ of financial scarcity when identifying quality imperatives. Fora designated as those in which quality judgements were made were themselves substantially affected by financial pressure.

This pressure became overwhelming for staff. One interviewee described experiencing ‘paralysis’ because of the continual focus on finances, undermining their ability to attend to other matters. Others equally expressed concern that the intensity of work required to maintain standards was ‘going to burn out the staff that are there...they’re just not going to have the same motivation and drive to be able to provide a good service’.

Staff’s reluctant financial focus combined with the intensity of work required was seemingly becoming unsustainable. While this gradual delegation of normative puzzles and pressures was less formal and deliberate than creating a savings unit, it too exemplified **reshaping engagements**. Like structural change, it altered the organisational locus of austerity management. This **reshaping** increasingly placed the pressure of maintaining services and making value-laden decisions on junior- and middle-ranking staff.

The priority placed on savings and corresponding staff efforts had got Dryas closer to its control total; but not close enough. By late January, they remained 1-2% of annual income off their target. The last Programme Board I observed seemed to indicate two significant decisions: closing Unit 1 and submitting a deficit draft plan to NHSI.

[Coda: The tactical decision \(March 2018\)](#)

I attended one final meeting to conclude my observation of Dryas’s financial year. While Programme Board’s preference for submitting a deficit draft plan to NHSI was in part a ‘tactical position’, the broader financial signals were gloomy. I went to observe a senior financial committee expecting them to reluctantly decide to submit a deficit plan to NHSI for 2018/19.

This was not what I observed. Before the meeting, one group of senior managers had prepared financial analysis and arguments, which they presented to another group. Initially, some among this latter group advocated submitting a deficit plan: they did not expect to break even and felt they should be honest. Yet during the meeting, these managers were persuaded otherwise. Their colleagues presented the decision about the plan to submit as a prudential, strategic one, not one about forecasting likely financial outcomes. It was a question of whether they ‘[say we] will hit our control total and the risks associated with that’, or that they wouldn’t, ‘and the consequences of that in terms of possible intervention by NHS Improvement’. Trusts saying they would hit their control total could receive STF bonuses if they achieved targets. Others could not, whatever their eventual financial performance.

By the meeting’s conclusion, it seemed agreed that – with misgivings – the decision was ‘essentially tactical’. It was better to declare a compliant plan and be eligible for STF than

declare a non-compliant, but more plausible, plan. This decision was later ratified, and Dryas's submitted a compliant 2018/19 plan.

These decisions were in part presaged by an interview in late 2017:

I: Will you deliver your control total?

P: I think we will do everything to, if we don't it will be a strategic decision.

I: A strategic decision?

P: Yeah, you have to be very mindful in today's NHS about why you do things so, because this level of scrutiny and intervention from the centre happens very quickly if you are not seen to be managing your resources...you know because are you always seen as someone who delivers so therefore it's OK to take from you or are you seen as someone who almost delivers to keep the pressure off or are you seen as someone who's failing because you just can't be bothered to deliver.

This interviewee describes a concern with avoiding regulatory attention, whether because one seemed failing or comfortable. Meeting one's control total – or not – becomes not so much a choice about one's predictions or aspirations; as about tactically positioning oneself. **Attaining tenuous futures** involves stretching one's predictions to match the budgetary totals required.

Interpreting the case

Dryas underwent significant changes. Savings plans were revised mid-year. Not only did targets change, but an 'across-the-board' approach became 'targeted' based on what divisions could bear, with aspirations for the following year to be focused on fewer, 'strategic' priorities. An initial focus on atomistically monitored CIPs quickly became problematic, no longer the 'magic bullet' it once seemed. Yet what seemed like an organisation heading for a deficit plan quickly became one declaring it would meet its control total. This section attempts to explain these developments by reference to the practices identified above.

Attaining tenuous futures: forming turbulent financial cycles

The change in emphasis at Dryas was striking. I first encountered Dryas early in 2016/17, facing a large 'gap' in recently ratified plans. This precipitated recovery processes for challenged divisions, rebudgeting and a Senior Scrutiny process that created new savings plans mid-year. This pattern of budgeting and rebudgeting was not unique to this year but seemed to be a repeating cycle.

Initially, such hurried change was puzzling. Why would an overtly well-managed organisation end up in repeated recovery processes, and having to rebudget during the financial year?

While I understood various specific difficulties, the repeated pattern remained hard to explain. March brought an answer. When the 2017/18 budget was considered, the outturn submitted to NHSI appeared substantially determined by Dryas's control total. Compliance was a 'tactical decision' aiming for STF eligibility as much as one about likely outcomes. This external target meant Dryas ended up attempting to fulfil arguably implausible plans.

This explained earlier parts of the 2017/18 budgeting process. Managers stretched what savings were possible to create a viable 'bridge'. Projections became increasingly optimistic. Divisional reports that required savings were unviable were unacceptable, while managers replied to observations that plans were ambitious by noting that they had to be. Necessity shaped judgements about feasibility.

While I did not observe budgeting for 2016/17, it was similarly subject to STF pressures. Dryas began 2016/17 with a budget containing significant 'unidentified CIPs'. These are savings aspirations without plans – IOUs from the savings programme to the budgetary bottom line. While 'unidentified CIPs' are common in NHS budgets, their extent was consistent with the same 'stretching' to meet STF demands that I observed in preparation for 2017/18.

These budgeting approaches enabled managers to submit compliant plans and be eligible for STF money. But they also set the scene for problems. As the financial year progressed, plans proved difficult to implement. Dryas found key divisions in recovery; and engaged in mid-year rebudgeting. While rebudgeting replicated some optimistic assumptions of initial budgeting processes, the general pattern was of increasing monitoring and scepticism. Managers nervous of further overoptimistic plans and hoping to sniff out further savings increased scrutiny of both savings plans and divisional spending. Managers increasingly deployed discourses of crisis and epic struggle to cast the financial situation as desperate, hoping to spur colleagues into greater savings. Sometimes, they cast the next year itself as potentially 'undoable': as staff struggled to make the future itself attainable, mid-year saw **attaining** adopt an increasingly pessimistic tone in the sight of ever-receding plans.

Attaining at Dryas was a process of optimistic budgeting, mid-year recovery and rebudgeting, and year-end scrambles to reach targets. Figure 7.3 is a stylised visualisation of the resulting annual process. Inevitably, such diagrams are reductive. Yet Figure 7.3 encapsulates the apparent cyclicity of the processes driving Dryas's austerity management. This pattern left Dryas's evaluations of the savings it discussed unstable and made it harder for staff to trust the ongoing process: budgets were unreliable when rebudgeting was possible. And changes in how savings were appraised made those appraisals hard to credit.

Dryas - attitude and key events

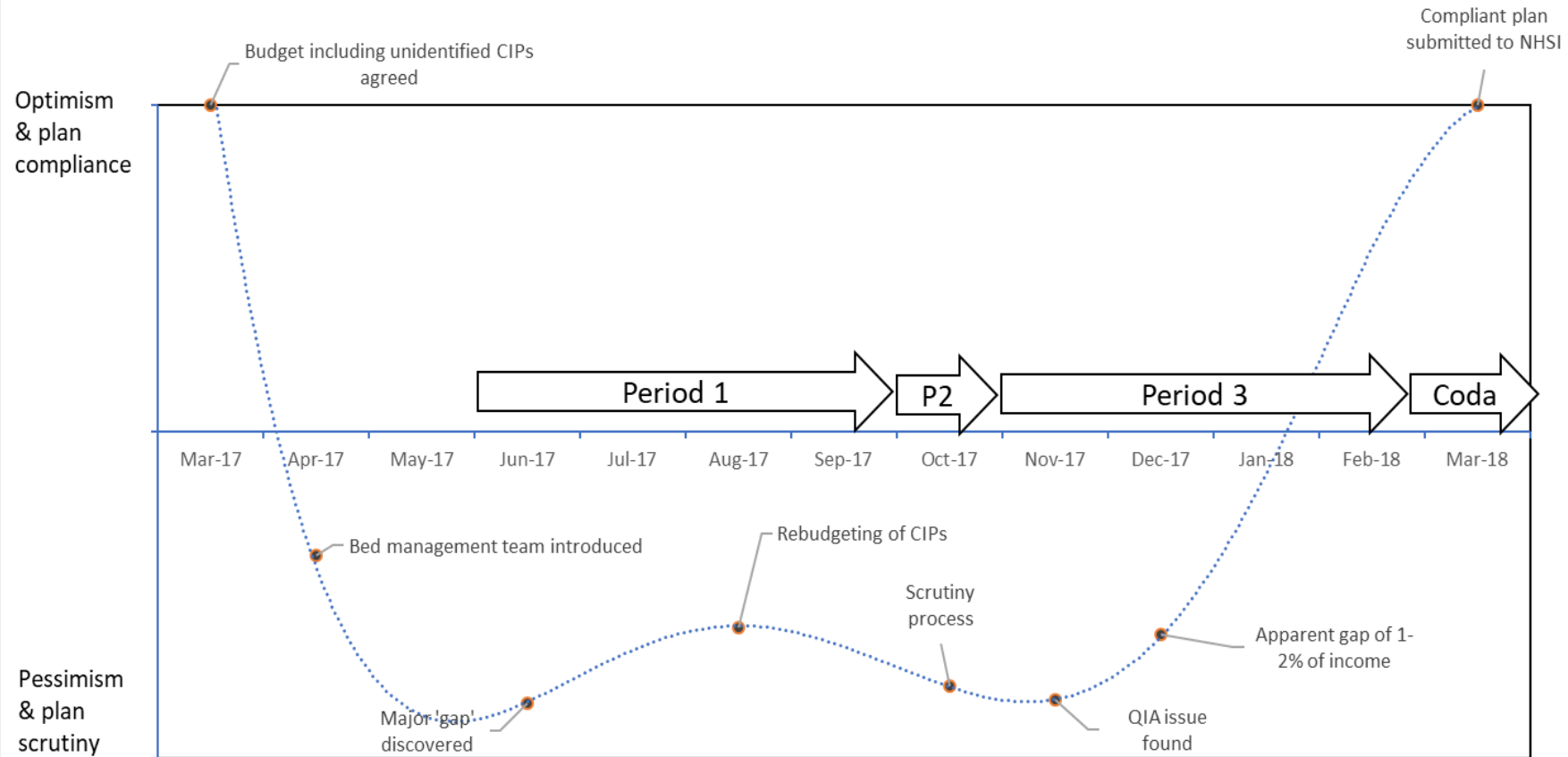


Figure 7.3 – Key events in Dryas

Constructing possibility: creating hypothetical CIPs

I observe above that the Projects Office adeptly constructed CIPs as concretised objects. Seen thus, they were apt to fill ‘gaps’ in Dryas’s ‘bridge’. Yet the financial cycle described above made the Projects Office’s life difficult. It was formed under financial urgency, causing the ‘granularity problem’, misleading data and ‘green zombies’ described above. Consequently, while they effectively **constructed possibility** through CIPs, many of these CIPs turned out to be rather less material than their constructions.

This was exacerbated in the case of ‘unidentified CIPs’, which became placeholders within the CIP Tracker and 2017/18 bridge. While some assumptions made about the CIPs possible seemed reasonable, treating CIPs as already-existing objects overstated the likelihood of their realisation. While the CIP management system was repeatedly reviewed, and its risk ratings refined, reports to senior management did not risk adjust the overall ‘value’ of promised savings. They knew that many CIPs were ‘red’ but did not therefore receive a prediction of the savings likely to materialise.

Constructing and contesting financial tests: shifting measures

CIPs were both statements of possibility and standards against which to evaluate divisions’ financial performance. Yet the problems described above made them increasingly subject to criticism from managers and the divisions those CIPs were supposed to hold to account. Alongside accuracy problems, it became clear that CIPs insufficiently described Dryas’s financial fortunes.

CIPs were never designed to measure organisations’ overall financial state. Most income and expenditure fall outside a trust’s CIP. Measuring CIPs focuses on planned expenditure changes, excluding other financial ‘noise’. This is sensible where other expenditure remains stable. In Dryas, it rapidly became clear that other spending was anything but stable. This made CIPs harder to measure, easier to dispute, and less useful to managers interested in Dryas’s overall financial outlook.

The immediate response was to complement CIPs with new documents associated with Senior Scrutiny. However, just as tweaking CIPs had made them more complex, so this did not provide the desired stability. Instead, this relatively new system of documents, and this new meeting structure were if anything easier for divisions to resist. Unestablished, they had not yet gained the credibility of repeated use. However, CIPs failure did precipitate longer-term change: rather than the ‘magic bullet’ of atomistic CIP management, staff felt, they needed fewer, more strategic priorities.

Reconfiguring quality: commitment and 'thinning'

The financial cycles described above placed great pressure on Dryas. One way to address this pressure would be to deliberately reduce quality or access to services. Dryas was not willing to do so: there appeared a genuine, forceful commitment to quality. While managers sometimes euphemistically discussed moves like 'reprovision', the fact such euphemisms were necessary reaffirmed managers' profound discomfort about quality or access reducing. However, this discomfort did not avert the financial imperatives managers experienced. Another way had to be found.

The eventual approach was exemplified by the senior manager quoted on p.100: managers had to 'redefine quality' around what was possible. Early on, 'quality' started to be framed as optimistically compatible with cost reduction through processes with fewer errors. This identified changes that might improve quality and cost at once. But it also presented an increasingly 'thin' version of quality: one based around reducing process error.

Accordingly, quality began to be discussed largely in terms of 'safety'. Managers focused on avoiding quality actively worsening or cast it as the task of specific organisational functions, like QIAs or divisional management. With these domains taking care of quality, some reasoned, focus on cost elsewhere was legitimate. Yet divisional and QIA staff themselves experienced great pressure towards financial concerns. While some apparently imagined a neat division of concerns between domains considering cost and those considering quality, it seemed those supposedly addressing quality felt extensive cost pressure. Financial pressures seemed to produce a progressively 'thinner' account of quality, and one increasingly restricted to certain organisational domains.

Reshaping engagements

How Dryas measured and evaluated its financial progress had major implications. Reluctance to overtly trade quality off against cost sometimes effectively delegated such moral decisions to divisional staff. Combined with resource pressure, this left divisional staff experiencing long hours and difficult decisions that caused 'paralysis' and threatened burnout. It seemed to particularly affect middle managers who reported buffering junior staff from such pressures.

These changes also affected Dryas's strategic core. CIPs had functioned as a mechanism of filling gaps in its overall financial plans. Upon realising that CIPs were no longer fulfilling this function, managers took remedial action. They reallocated savings among divisions, switching from an 'across-the-board' to a more 'targeted' strategy. Yet this change was difficult. The first budget had been advocated based on equal division of burdens. Staff therefore wondered why

they now had to make what seemed like other people's CIPs, making it hard to make budgets stick.

With atomistic CIP management decreasingly credible, the Projects Office and strategic centre set a course for next year which gave more emphasis to major strategic savings and less to CIPs. Projects Office management agreed they needed fewer, strategic priorities, and bemoaned the time spent monitoring 150 schemes. Next year's 'bridge' allocated substantial savings to major strategic changes, and less to CIPs. Following the failure of managerialist savings run through atomistic CIP monitoring, it seemed that the approach for 2018/19 would be more strategic.

Conclusion and theoretical reflections

This interpretation highlights practices derived from the situated, pragmatic and discursive approach which distinguishes this study from others. They suggest theoretical questions and tentative conclusions about i) types of savings, ii) the programmes managing them, iii) evaluation and iv) the austere situation. This section briefly explores these in anticipation of Chapter 10's more thorough treatment.

Across-the-board to strategic savings

Dryas partly confirms the literature's expectation that organisations move from 'across-the-board' to more 'targeted', particularly 'strategic', savings (Hood and Wright, 1981; Kelly, 1989; Levine, 1979, 1985; Pollitt, 2010). The 'best developed' version of this sequence is Beck Jørgensen's which foresees a gradual progression from 'across-the-board' via 'managerial' to 'strategic' savings (Dunsire and Hood, 1989, pp.170–178). This pattern was observable both between and within years, with an initial 'across-the-board' approach with managerialist elements becoming more targeted and strategic. However, the literature expects this movement to arise as organisations realise long-term savings requirements and find that across-the-board, then managerial savings no longer suffice.

There are elements of this in Dryas, but its shifts are better explained through another mechanism. Initially, Dryas attempted to coordinate its financial affairs through CIPs. They were the devices by which staff **constructed the possibility** of savings and then **conducted financial tests** to evaluate performance. In Thévenot's (2001b) terms, they were the 'measurement objects' staff used to understand, *test* and thus coordinate their world. Yet they rapidly proved unable to capture the realities Dryas faced: they overstated savings' concreteness and under-accounted for wider financial fluctuations. These *objects* thus came to seem less suited to the *situation* at hand. Consequently, a different, more 'strategic' way of

capturing the situation became preferred. This shift arose not because staff realised short-term savings were no longer rewarding but because CIPs no longer seemed useful *objects* by which to understand the *situation*.

This explanation also accounts for this case's lower level dynamics. Alongside CIPs themselves being discredited, there were gradual tweaks in financial management approaches based on smaller destabilisations of the measurement objects used. CIPs' risk ratings, initial targets and so forth were all altered as measurement objects failed to capture austerity's turbulent realities. There thus seems to be a layered structure in which short-term destabilisations of the objects designed to measure organisational finances progressively precipitate longer-term destabilisation and wider changes in approach. Because *objects* acquire their credibility by the *investments* associated with established use (Thévenot, 1984), these frequent changes set the scene for CIPs themselves to become destabilised.

Managing savings

As Chapter 2 argued, austerity management literature says little about the ground-level activities savings involve (Williams, 2015). Dryas exemplified one structure characteristic of contemporary 'managerialist' responses to austerity: the PMO-led CIP (Audit Commission and Monitor, 2012). Such units are created where senior management wishes to oversee not only divisional savings totals but individual schemes' details. Consequently, they are primarily monitoring bodies. This case suggests difficulties in managing their organisational boundaries.

This case suggests such units might have an outward momentum under austerity, spreading their jurisdiction beyond the savings programmes they initially oversee. Programme management is styled as generically applicable to changes; indeed, Dryas's Projects Office described its value in terms of its ability to bring together plural schemes to avoid adverse interactions. This industrial logic suggests they will fulfil their role better the wider their scope. Particularly when austerity gives such organs such prominence and visibility, they expand their influence beyond their original focus. This risks spreading their financially-focused measurement and evaluative apparatus further than organisations intend.

Justice and familiarity

This case highlights the role of normative evaluations under austerity. Yet the austerity management literature focuses heavily on the practicalities of financial planning. Aside from a few writers on the fringes of austerity management who themselves adopt normative approaches (e.g. Fuller, 2017), austerity management is presented as a problem of *planning*. Where disputes arise, they are disagreements between interest-bearing actors (e.g. Glassberg,

1978), not moral or interpersonal-emotional disputes (see p.35). Yet Thévenot (2007) highlights dimensions of organisational life outside the *regime of planning*, including both the broad questions of priorities discussed above (*justification*) and more intimate interactions (*familiarity*).

Through this lens, Dryas illuminates dynamics conventional austerity management literature omits. *Justificatory* work is important to making savings possible in organisations with strong normative commitments. **Reconfiguring quality** demonstrates the careful work managing the *compromise* between cost and nonfinancial values. Boltanski and Thévenot (2006) note that such compromises are inevitably vague to avoid conflicts between contradictory values surfacing. In Dryas, this ambiguity was used to redefine the terms of the cost-quality bargain.

Alongside *justification* and *planning*, *familiar* work was vital here. When formal governance mechanisms failed, senior staff emphasised familiarity, corporeality and personal trust as ways to understand their worlds. Simultaneously, where formal mechanisms failed, dilemmas were increasingly delegated to ground-level staff (Hyde and Exworthy, 2016, p.262). This presented them with *justificatory* dilemmas but also required *familiar* emotional work to regain the *ease* such dilemmas take away (see p.45). Understanding *justification* and *familiarity* alongside *planning* seems vital to austerity management.

The turbulent situation

Amidst all this, Dryas was a case of mid-year reallocation of budgets. Such ‘rebudgeting’ is rarely observed in the austerity management literature, which tends to underplay austere situations’ instability (see p.30). However, Caiden and Wildavsky’s (1980) analysis of budgeting in poorer countries identifies a similar phenomenon, which they say is more likely under uncertainty. For them, where budgets are continually stretched, it becomes likely that budgets are continually temporary, only there until the next revision. This precipitates chaotic budgeting and rebudgeting.

Dryas partly recalls this account. It did face significant uncertainty, which contributed to in-year rebudgeting, through both divisional ‘recovery’ and mid-year target reallocations. But Dryas’s rebudgeting was not a chaotic, shock event, but relatively predictable: part of a routine annual cycle. Further explanations for such events are necessary.

The annual process traced from p.129 can be explained by considering budgeting as a prolonged *engagement* with the world (Thévenot, 2001b). Each year, organisations and their senior tier face demands for ‘compliant’ budgets. This is a financial *test* they can ill afford to

fail: a viable-sounding planning document must be created. Consequently, organisations discursively construct the ‘unidentified CIPs’ and similar devices needed for a viable plan. Yet as Thévenot (2001b) observes, *engagements* face *resistance*. Over the year, the focus shifts from creating a budgetary plan to fulfilling the *plan* created. When people try to ‘realise’ always optimistic savings, they find this is exceptionally difficult: in Thévenot’s terms, the world offers considerable *resistance*. Eventually, the budgetary plan no longer adequately grasps the world, necessitating rebudgeting.

Concluding comments

Dryas demonstrates the turbulence of austere financial cycles, the instability of the objects measuring financial savings and the pliability of moral terms. We should expect this pliability particularly in organisations with strong ethical commitments because this can make directly describing quality reductions taboo. It highlights the dominant, defining role STF obligations play and the pressure under which this eventually places ground-level staff. This suggests important theoretical developments for those researching austerity management. We should attend more to how austerity programmes are measured, the structure of those programmes themselves, and organisational austerity’s national context.

All this occurred in a mental health trust facing moderately severe financial pressure. One might reasonably wonder whether similar effects are observed within the acute care mainstream; and in better funded organisations. Accordingly, we now turn to examine Thyme: an acute trust facing comparatively mild austerity pressures.

Chapter 8: Thyme: case narrative

Introducing Thyme

Thyme is a large, acute Foundation Trust in a major city. Across two hospitals and community settings, it serves a diverse urban population of above average deprivation. Its 10,000-20,000 staff also provide specialist national and international services while maintaining a large, busy Accident and Emergency Department. A major teaching hospital, Thyme engages in extensive research. Recently, it has been involved in many strategic partnerships and initiatives, including continually developing its estate to meet rising demand.

Overall quality assessments at Thyme have been favourable. As of the year fieldwork began, its most recent CQC rating was 'good'. Its Standardised Hospital Mortality Indicator (risk-adjusted death rate) was strong. However, it routinely missed access targets. Even in an organisation enjoying a strong reputation and good regulatory relationships, signs of strain were growing.

Nevertheless, Thyme's financial pressures were milder than most. It had generally posted year-end surpluses and held sizable reserves. Notwithstanding all NHS organisations' constrained funding, there seemed little reason to doubt Thyme's solvency.

Research began midway through 2017/18, coinciding with particularly turbulent national policy. Lord Carter (2016) had recently published his review of hospital efficiency, which suggested £5bn savings were possible (see p.325). Carter argued that there were costly problems in hospitals' structures and management, localising these problems to individual organisations through benchmarking. Regulators and government seized on this latter element, requiring organisations to address 'overspending' areas. Organisations faced pressure to demonstrate they were 'responding' to Carter and particularly to reduce short-run costs.

It was in this environment that Thyme found itself responding to financial pressures. By early 2017, Thyme had adopted two savings approaches. One was based around its annual financial planning cycle. Senior management would articulate their expectations of divisional savings. Divisions devised annual plans based thereon alongside applications for special purpose funds. These they submitted to Thyme's operational centre for approval. This process emphasised central control of savings totals but delegation of how to meet those obligations.

In 2013, Thyme had launched a more direct central approach to managing short- and long-term pressures. 'Transforming Thyme' was a complex change programme combining in-year savings with longer-term transformation programmes. Some were major transformations; but

most sprang from Transforming Thyme flexibly facilitating local changes to develop a culture of improvement. It began in opposition to traditional savings programmes: in one senior manager's words, to avoid 'some kind of big overarching Programme Management infrastructure'. Transforming Thyme spoke a different language to conventional PMO-driven CIPs, and to Thyme's operational business planning process.

Processual analysis identified three periods. The first (September 2017-January 2018) saw attempts to make savings in 2017/18 while determining 2018/19's financial strategy. This slightly overlapped with the second (November 2017-February 2018), which involved repeated efforts to cascade central targets to divisions. As financial strains intensified, the third (to May 2018) saw savings drives jeopardise existing commitments. Transforming Thyme struggled to assert its role within an organisation increasingly preoccupied with short-term savings. The following sections report each period.

Period 1: Financial recovery, financial strategy (September 2017 to January 2018)

This period involved two intertwined developments, described separately for clarity: urgent efforts to meet 2017/18 targets and developing 2018/19 financial ambitions.

Making ends meet

By 2017, even financially secure organisations like Thyme faced genuine financial problems. This was not a sudden shock, but the consequence of progressively diminishing resources. NHSI required Thyme commit to an ambitious 2017/18 budget. While Thyme could have refused, this would have rendered them ineligible for STF income (p.327). Accepting this 'control total' left Thyme needing to save around 6% of 2016/17 turnover. Like Dryas, Thyme sought these partly through 'unidentified CIPs'.

Making these putative savings real proved challenging. STF rewards are paid quarterly to organisations meeting their plans. Halfway through the year, Thyme was 7% down on its targets. They thus missed STF payments, near-doubling the financial impact of the savings they had missed.

Thyme responded with a 'financial recovery' process. An 'Operational Finance Forum' was created, initially tasked with focusing on three poorly-performing divisions. Operational Finance complemented high-level Senior Review meetings scrutinising divisional plans. Notwithstanding the Forum's initial styling as an exceptional process to address a severe problem, this recovery process did not seem to surprise people. As one senior manager said:

‘we’re always in recovery by quarter 3, quarter 4’. They were in recovery ‘because everybody is. The whole of the NHS is always in recovery. It’s a fact of life’.

While expected, this recovery phase involved a step-change in financial stringency and close scrutiny of supposedly failing areas. Three divisions placed in ‘special measures’ saw frequent visits from Operational Finance representatives. According to the manager quoted above, being in ‘recovery’ means ‘do[ing] the stuff that you should have done in the first year – the first part of the year...stopping recruiting, you know, putting all the controls back in that you took off at the beginning of the year’. Recovery entailed a sharp change in financial stringency. This sequence of optimistic budgeting to make plans add up, struggles to realise those plans, then urgent ‘recovery’ to patch resultant gaps epitomises **attaining tenuous futures**. At Thyme, **attaining** was formalised, well-defined, and apparently routine.

Yet ‘recovery’ did not resolve Thyme’s financial problems. When reviewing the process, managers claimed only that it had prevented further deterioration in selected areas. Approaching December’s Quarter 3 STF payment date, Thyme was still missing financial targets. Given they had already missed STF money, missing more would be damaging. During November, managers released financial reserves to the divisions, improving Thyme’s reported financial position. But the impact was smaller than anticipated. By mid-December, a senior manager said STF targets remained ‘touch-and-go’. A later report describes the ‘transformation reserve’ being released in December and STF funding being received. Strategic distribution of reserves helped present a sufficiently favourable position to receive STF payments. Helping to patch gap-ridden budgets, these bailouts exemplified **attaining**.

Such late-in-the-day bailouts were not new to staff. Rather, there was a sense that missing targets would result in senior finance staff solving the problem: as one interviewee said, ‘everybody always says, “Oh, don’t worry too much. [Senior finance manager]’ll pull something out of the hat”’. This commonly articulated claim both diminished the budget’s day-to-day evaluative relevance, and challenged central rhetoric about the financial situation’s severity. It thus interwove **attaining** with **constructing and contesting financial tests** in an account of budgetary processes as ‘smoke and mirrors’. ‘In the main’, one manager insisted, ‘those [requested savings] are real asks’. Nevertheless, compensation for operational underperformance with central bailouts made persuading staff that such financial ‘asks’ were ‘real’ and unavoidable difficult.

Transforming Thyme was designed to help divisions fulfil these ‘asks’. Yet rather than simply finding short-term cost savings, it aimed to transform the organisation, crafting a ground-up

‘culture where everyone is doing improvement’. Thyme would become a better version of itself, saving money along the way: Transforming Thyme attempted to **construct possibilities** beyond short-term savings.

In practice, Transforming Thyme’s short-term savings efforts focused on schemes into which divisions could opt. Any savings these schemes delivered counted against divisional targets, incentivising divisional participation. Ideally, Transforming Thyme would enable divisions to make sufficient savings to hit STF goals without compensatory ‘balance sheet’ measures.

However, Transforming Thyme faced the same difficulties as Thyme’s wider savings. Its 2017/18 ‘operational productivity initiatives...performed extremely badly’. Deficits there were compensated by projects achieving cheaper input prices and altering how clinical activity was reported (‘coding’) to increase remuneration. One senior Transforming Thyme figure worried the latter was ‘distracting people from actually doing efficiency change’. The desire to make financial numbers add up – the pressure to **attain tenuous futures** – perhaps limited how far real operational change was pursued.

Financial strategy

This was also the time organisations characteristically plan for the next financial year. Planning therefore occurred in an environment of ‘recovery’ and uncertainty in which concrete operational savings were increasingly difficult.

Senior staff announced Thyme’s overall financial aims at a large November planning meeting. There, they forecast the savings needed to break even. These forecasts formed a ‘big ask’. A management interviewee later explained such targets’ derivation:

The Finance Team, stick into their, you know, machine, the activity estimates, that are sent down, if you like, from national bodies for the year. So the kind of rules for business planning are set out by NHS England and NHS Improvement. Finance takes those, combine them with kind of local factors; what the Commissioners are saying and all the rest of it and, and then pass that down to [divisions] as a kind of...“The gap, unfortunately, is [amount] and we think this where it’s going to be allocated out”.

Target-setting is here a calculative process based on a ‘machine’ and ‘rules’. ‘The gap’ is taken as an arithmetic fact but embodies the assumption Thyme must break even. This ‘gap’ is inevitably ‘allocated out’: this year, most areas would be asked to save the same substantial percentage of current expenditure. This was necessitated by existential threats to Thyme: at the meeting, one manager argued that they kept getting ‘beaten up by the regulator’ and must

break even to continue to 'control our own destiny'. Balance sheet measures would not work this time: 'the magic has run out'.

Before describing specific financial targets, the meeting highlighted systemic threats: 'if we thought we were in uncertain times last [year], it is even more uncertain now...more unstable', warned a senior manager. The slide behind them showed several images: a Minister's concerned expression during the recent Conservative Party Conference; a still from the film *Mission Impossible*. Failure was cast as a real threat with grand implications: in another manager's words, 'if we sink, the NHS is sunk'.

These framing efforts drew extensively on **attaining tenuous futures** in vividly depicting an organisation nearing severe problems. Yet here they found mixed success. While few staff argued Thyme need not save, several took solace in its comparative financial security. 'We're less sunk than the average trust', they observed; 'we are very privileged to be in a hospital that doesn't have a sort of out-of-control deficit'. Thyme's turbulent surroundings could be mobilised to suggest a sense of emergency, but also offered favourable financial comparisons. Demonstrating the high savings requested were necessary proved challenging.

Reaching this challenging bottom line was hard enough. Yet the bottom-line was not Thyme's only financial requirement. The Carter Review was important across hospitals, but particularly occupied Thyme managers' minds, having cast Thyme as among the NHS's more expensive hospitals. Such was the regulatory interest in Carter at Thyme, one manager noted, that they could meet regulators about it 'weekly...if we didn't avoid – evade them'.

Senior managers experienced significant pressure to demonstrate that they were responding to Carter. Sometimes, this meant seeking *Carter's* predicted savings, notwithstanding objections to its methodology. At the annual planning meeting described above, the 'Carter model, imperfect as it is' was highlighted as a method of finding savings. In May 2017, a senior committee paper broke down the *Carter* 'savings opportunity' by department and suggested focused savings efforts on overspending 'pathways'. This identified areas for future work and allocated to divisions responsibility for correcting supposed inefficiencies. *Carter's* approach of benchmarking spending in given categories was replicated internally to help Thyme operationalise its suggested savings.

Other times, Thyme rejected Carter's conclusions. Yet it could not do so out-of-hand. One senior manager complained that reluctant divisional staff did 'not understand [Carter] is what we're benchmarked against externally'. Consequently, if disputing its accuracy, they must be

‘able to evidence it’. In practice, this meant conducting similar analyses to *Carter* to demonstrate supposed savings were unavailable. Whether accepting or rejecting *Carter*’s conclusions, it became difficult not to engage with its efficiency-oriented analytic lens.

Carter and its organisational use drew on **constructing possibility** and **conducting and contesting financial tests**. By highlighting areas of ‘inefficiencies’, the report and associated data constructed them as areas of hypothetical future savings. The relative prevalence of such ‘inefficiencies’ then became a financial test of organisations – one in which Thyme fared poorly. Thyme’s response involved the same engagements. It sometimes questioned supposed **possibilities**; but at others used a *Carter*-like method to localise those possibilities to departments. Thyme variously aimed to meet, evade and localise to divisions *Carter*’s **financial tests**. **Constructing possibility** and **conducting and contesting** captured the engagements associated with *Carter*.

Transforming Thyme became the umbrella under which *Carter* savings were pursued. Transforming Thyme staff wrote the paper on Thyme’s *Carter* opportunities and led the response. Its informatics capacity extended *Carter*’s analytic approach. This is superficially surprising. Transforming Thyme prided itself on being a developmental programme, with a longer-term perspective and an appetite for bottom-up initiatives whose benefits extended beyond the financial. It defined against shorter term cash-grabs and overarching PMOs that excessively monitor constituent projects. Yet *Carter* adopted a top-down, financial lens, while associated savings had to be ‘evidence[d]’ to regulators. Addressing *Carter* would require a more top-down emphasis and greater reporting requirements.

Transforming Thyme’s apparent willingness to adopt *Carter* responsibilities makes more sense given the challenges it faced. The programme had emphasised longer-term transformation and taken a hands-off approach to monitoring. With short-term savings pressures mounting, Transforming Thyme staff knew that quick, measurable savings gave them license to continue their more developmental work. If ‘initiatives [like Transforming Thyme] are not – driving out the kinds of financial benefits that the organisation might expect to see, then it’s very easy to cut back on them when finances become pressured’. Transforming Thyme was increasingly facing an organisation whose **financial tests** stressed short-term savings. A programme with transformational ambitions faced imperatives to demonstrate its short-term financial credentials.

Adopting *Carter* tied Transforming Thyme to one of Thyme’s strategic priorities and promised quick savings. With its existing guise vulnerable, linking to *Carter* attempted to rearticulate the

programme as central to Thyme's priorities. This reformulation of the programme changed how savings were addressed: Transforming Thyme **reshaped engagements** to remain relevant.

However, by late 2017, this link appeared increasingly problematic. Observations of programme-level meetings highlighted repeated tensions about what Transforming Thyme should be: how should it position itself on the spectra between top-down and bottom-up; financial gain and broader transformation; standardised monitoring and local flexibility. Trying to adopt Carter, whose objectives contrasted with much of Transforming Thyme, cannot have helped. It came alongside wider short-term financial pressures which encouraged Transforming Thyme to emphasise in-year savings. Justifying its organisational position increasingly required it to focus away from its transformational aims of longer-term sustainability.

Thyme was required to create financial plans which not only seemed sensible and met its control total but also cohered with other obligations like *Carter*. Managing all these responsibilities in a rapidly changing environment was extremely challenging. That this all occurred during the 2017/18 turnaround process only made it harder.

Period 2: Making financial plans real (November 2017-February 2018)

'First cut'

If it was challenging to construct financial plans in Thyme's upper echelons, converting them into specific, realisable divisional plans was harder still. Divisions were expected to submit 'business plans' meeting these obligations. They were invited to simultaneously report likely 'cost pressures' (likely increases in running costs) and submit 'short business cases' for desired initiatives. The Forum monitoring financial recovery also ran this process.

Annual planning was an established routine, if an uncomfortable one. One interviewee called it 'a set piece drama every year'. Initial divisional plans would receive feedback, and further versions be requested. This process had historically run too close to the wire for senior managers' liking. Accordingly, this year's process was starting earlier, and was intended to involve only two versions of the plan. As described under 'Period 1', **attaining** was central to this process.

Transforming Thyme was intended to help divisions find savings to include in their plans. While they took multiple approaches, regulatory pressure to use Carter data remained high. Consequently, managers sought improvement objectives through that lens, identifying available 'efficiencies'. One Transforming Thyme interviewee described their approach:

We wanted them to use the Carter report, so that we can respond to our regulators and say, “Well, at least we’ve looked at it and these are the things we will do. These are the things we won’t, but we’ve got a good reason for that.”

This illustrates efforts to ‘find’ or refute Carter’s claimed ‘efficiencies’: both of which contributed to **constructing possibility** by creating or challenging images of what was possible. However, staff did not believe in Carter’s approach. Consequently, Transforming Thyme staff faced a bind: external pressures required them to ‘speak’ Carter’s language but doing so made engaging with staff harder. Consequently, these efforts were unproductive: ‘we’ve spent masses of time on this and not got very far’, continued the manager quoted above.

Transforming Thyme continued multiple programmes offering divisions savings ideas but still found divisional commitment elusive. The programme eventually planned savings worth around 1% of trust income: a respectable amount for a transformation-oriented programme, and an increase on 2017/18. Yet some areas expressed discontent about the lack of opportunities they received. Instead, large proportions of identified savings focused on coding and procurement changes: combined, these two projects (of thirteen) represented 40-50% of the programme’s proposed savings. They were genuine savings to Thyme but less intimately involved with divisions’ daily work, confirming that true operational improvements remained difficult.

Re-enforcing tests

Initial plan submissions fell beneath central requirements. While some felt some savings deficits were likely in a ‘first cut’, managers were disconcerted that divisions predicted considerably more cost pressures than central budgets assumed.

Central managers responded in two ways; both prompted resistance. First, they grew reluctant to accept divisional funding appeals unconnected to financial returns. Staff foreseeing ‘cost pressures’ had been asked to categorise them based on the risk not funding them posed; and whether they were avoidable. In January, Operational Finance decided that no medium or lower risk, discretionary or avoidable ‘cost pressures’ should be funded.

With senior staff making such ‘batch’ decisions about categories of spending, divisional managers thought carefully about how they categorised their requests. One divisional meeting feared a ‘business case’ for nursing staff might be refused and discussed how to better frame the request. Later that day, a divisional manager announced ‘the...nurse is now a growth

scheme...don't ask how!'. As central managers used divisions' categorisations of spending requests to refuse tranches of spending, divisions had reason to use these categories tactically.

Second, central managers asked divisions to look again for savings, requesting a 'stocktake' of where divisions were even before the second version of the business plan. This 'stocktake' became known as 'version 1.5'. It improved the position somewhat, but insufficiently. A further version, dubbed variously '1.5.1' or '1.75' was requested before version 2. The idea was to supplant the previous version with one offering a more favourable financial answer.

Divisions had anticipated this cycle of repeated savings requirements and its concomitant pressures. Knowing further savings requests would come, committing too much too soon seemed unwise. Holding back savings ideas left latitude when asked to 'look again' for more. As requested versions of the plan proliferated, this became more pertinent; and each version seemed less likely to be definitive. The difference between the intended and actual number of versions apparently seemed risible. The strained use of version numbers 1.5, 1.5.1 and 1.75 to ensure the final version remained 'version 2' became an organisational punchline. Managers expected further versions after version 2.

These repeated requests constituted tests of financial compliance. Yet as versions proliferated, each version seemed transient. Through such interactions, the planning process drew extensively on **conducting and contesting financial tests**.

'Looking again'

Notwithstanding divisional managers' foreknowledge that they would be repeatedly asked to 'look again', doing so was laborious. As one manager in a pressured division observed, it was 'unacceptable' to report that one's initial assessment had been exhaustive:

So, we've just done – we've been through what are supposed to be two rounds of business planning, they've actually been four rounds so far and there will continue to be some, and the answer is because there's still a financial gap – we're not forecasting to hit the profit number we need to next year. So, the response organisationally is, 'Have another go, find more savings', so that then gets apportioned out to the different teams, including mine, and they come back and they say, 'Find more savings'. And the – the kind of unacceptable response managerially is, 'There are no more savings'. You just can't say that, you have to say, 'We will look again'.

Accordingly, divisions were left moving closer to riskier savings. The interviewee quoted above continued:

But you get into this, you know, there's only so many times you can look, right? Nothing magic bumps up. We got to the stage in our service...where we expect – we're building our financial models and our budgets based on teams being able to run a perfect game every single day of the year.

With requests for new savings each year, and repeated requests within a given year, staff had to find new ideas or else draw on ideas previously deemed undesirable. In one divisional manager's words, they would 'have a look again this year', consulting 'the desperation list of things that will suddenly turn good, because another year's passed'. Repeated savings requests necessitated a changing account of what was 'good': put differently, it led staff to **reconfigure quality**, an increasingly important engagement in this period.

These difficult trade-offs increasingly became divisional managers' task. One Operational Finance member described balancing financial with nonfinancial priorities as done 'very much by the teams when they're considering how they structure their financial plans'. Operational Finance increasingly segregated itself from nonfinancial concerns. When one member went to discuss a division's annual plan, they were candid: while annual plans capture divisions' broad annual intentions, 'we're really here to talk about money, if we're totally honest'. This does not mean group members did not care about nonfinancial priorities; they were simply not the Forum's focus. When plans desirable on nonfinancial grounds were brought, members suggested ways to justify them by finding financial benefits.

The effect of focusing on finances was not so much to prioritise money over quality, but to delegate this balancing act to divisions. Because this shifted the organisational domain in which austerity management occurred, it exemplified **reshaping engagements**. This form thereof became increasingly prominent in this period: ethical uncertainties not resolved centrally were delegated to divisional managers' ad hoc efforts.

'Like they were genuine'

With bailouts historically commonplace, savings increasingly elusive and annual plan versions proliferating, financial targets and plans seemed decreasingly fixed. It thus became harder for central staff in regular direct contact with divisions to maintain that meeting assigned savings targets was essential. At one meeting, one such central manager was left urging the division to do their best, anticipating they would 'end up with an in-year discussion'. People decreasingly believed that assigned savings expectations were necessary or permanent.

Central staff thus deployed national discourses to vindicate the situation's urgency. They invoked the language of there being 'no money' left. I observed Senior Review meetings held

with each division to pursue further savings. These generally began with one central manager's 'speech' about the financial situation's severity, which quoted Thyme being the country's '[rank] most expensive' hospital. This figure had become current within Thyme: 'it's a figure I've quoted without asking for the source', a senior manager explained, 'but I think it's the model hospital [a dataset associated with Carter]'. These efforts drew on external perspectives of Thyme to represent a situation of severe financial distress.

Central managers invoked Thyme's relative financial privilege to argue spending should reduce. Routine comparisons were made with more impoverished trusts, the apparent logic being that if they could get by on less, then so could Thyme. When extra spending was suggested to improve one department's waiting times, a central manager responded that 'compared to most organisations we already do well'; whereas financial data cast Thyme as expensive. When divisions disputed these data's reliability, one manager replied that 'if you go to other trusts who are in poverty or under the cosh with NHSI or NHSE, the data you've got is the data you're judged against'. Divisions disputing data became itself representative of Thyme's undue financial privilege.

The most influential single example invoked was the resignation of a well-respected Chair of one of the country's most prominent Foundation Trusts and that Trust's subsequent placement into Special Measures. Asked about what influenced them, one manager responded that 'when – on the *Today Programme* the other day, the Chair of [Trust] said he was resigning and, and so on. That certainly had an influence'. That Trust's position was actively mobilised in meetings. A central manager told divisional staff that the 'point is if we did find ourselves in the [Trust] situation, and the [NHSI] turnaround team came in, how easy would they find it to [make efficiency savings]? We want to be the ones [doing it]'. 'Yeah, I get that', came the reply. By contextualising Thyme alongside more impoverished organisations, central managers constructed a pressing financial threat.

These efforts had mixed results. As one central manager noted, 'it was really hard to try and get those messages across and...for them to land and people to feel like they were genuine, because that's just what Thyme always does is they pull through because that's Thyme'. Divisional staff did describe feeling their own financial distress was a 'microcosm' of organisational and sectoral problems. Yet others took solace in Thyme's financial strength relative to other trusts; or felt dwarfed by impending sectoral crisis: staff 'just get on with it [and] hope that...someone will save [the NHS] from destruction'. Situating Thyme within wider

fiscal crisis, such discursive work exemplified **attaining tenuous futures** – an increasingly prominent engagement during this period.

This period saw balancing the financial plan receive extensive focus. Repeated requests to divisions sought ever-improving financial positions. Deliberate attempts to frame the external financial situation as severe attempted to increase the urgency with which such goals were pursued. Nevertheless, with savings elusive and business planning unpredictable, Thyme had not reached financial stability. February saw managers warn Thyme may submit a deficit plan.

Period 3: Destabilising (February-March 2018)

In this context, Thyme further prioritised financial balance. While designed to create financial stability, these measures destabilised existing programmes and quality guarantees.

Transforming Thyme

This context was difficult for Transforming Thyme. The increasingly short-term financial tests dominating Thyme challenged the programme. It had responded by evidencing its financial benefits and aligning with strategic priorities like Carter. In Period 1, this had introduced strains over the programme's identity. By now, these tensions were jeopardising Transforming Thyme's relationship with its constituent projects. One programme participant I interviewed said:

I think somewhere along the way we've completely lost what Transforming Thyme as a programme, is it a programme, is it a support mechanism, is it a spread and scale mechanism, is it a sharing best practice, what is the programme meant to be doing. And I think somewhere along the way it's probably become a bit of a beast we feed paperwork through, not entirely sure where the paperwork is going or who's seeing it and to what end.

For such participants, Transforming Thyme seemed decreasingly cohesive and coherent. Simultaneously, with pressure growing to demonstrate financial benefits, reporting pressure on constituent projects grew. Notwithstanding individual projects' achievements, some doubted that Transforming Thyme was the best mechanism to coordinate them.

Criticism became increasingly public and direct. By March, a senior operational manager overtly criticised Transforming Thyme during a project meeting. Discussing potential future savings governance, someone asked whether the operational manager envisaged Transforming Thyme's continued existence. 'Not if I have a say in it', they replied. They foresaw a 'bust-up' with Transforming Thyme managers.

The threat Transforming Thyme faced had become clear days earlier at a programme-level meeting attended by senior financial managers.

Attendees discussed next year's funding for various projects. Transforming Thyme managers asked repeatedly about their likely financial allocations, finance managers replying by describing Thyme's financial difficulties. One Transforming Thyme manager referred to a table of the programme's financial requests. Some were in green, they noted, indicating they were 'signed off'. A finance manager interjected: 'Bear in mind...the context of sign-off', implying that the changed context jeopardised already signed-off budgets. Transforming Thyme managers understood this implication. 'I think you appreciate', said one, 'that [we are discussing] whether we have a transformation programme at all next year'.

This meeting saw Transforming Thyme's financial insecurity escalate. Even 'signed off' expenditure can no longer be relied upon, because such sign-offs are now 'context'-dependent. Given the increasingly unstable context, this precedent was threatening. **Attaining tenuous futures** is important here, because finance managers use the 'context' to justify reclaiming signed-off expenditure to make ends meet. Undercutting such previously agreed spending made Transforming Thyme's situation feel more uncertain. Its questionable project and operational support became even more dangerous.

Transforming Thyme's leadership responded by proposing a new structure for next year's programme. Slides described 'establishing a new partnership between ops [operations], [the Transforming Thyme team], nursing and finance'. Headline changes involved increased operational leadership of programme initiatives. '[Senior ops managers] and [junior ops managers], working with the Transforming Thyme team, will lead the development of improvement practices'. While this did not wholly transfer Transforming Thyme's work to operational staff, it ceded significant control.

This was accompanied by changes in management style. Whereas Transforming Thyme began in opposition to programmes which imposed 'big overarching Programme Management infrastructure[s]', it now included 'bring[ing] together all of our transformation efforts, under one plan with one...programme management function, one set of objectives and all the rest of it'. It had moved towards a conventional PMO-led programme. Such developments entailed significant **reshaping engagements**. Austerity's short-term savings pressures left Transforming Thyme struggling to justify its role coordinating savings, leading to its **reshaping** to fit changed priorities.

Quality and staff

Transforming Thyme's changes were not the only **reshaping** this period saw. Divisional staff faced increasing savings pressure, making providing the quality they were used to harder. Junior staff sometimes buffered the potential consequences of senior resource allocation. Participants reported themselves and others working exceptionally hard to maintain standards. Staffing was reduced in some areas, increasing workloads. I heard reports of teams working until 8 p.m. to cover shortages.

Such efforts took a toll, apparently making long-term improvement harder. One manager noted that 'people's ability to keep on engaging in change' was diminishing because initiatives increasingly required 'goodwill' labour: extra hours to address austerity's pressure. This shifted austerity management labour towards rank-and-file staff: a form of **reshaping engagements** on which Thyme appeared increasingly to rely.

Despite such 'goodwill' efforts, Thyme's quality guarantees were becoming less stable. Historically, Thyme had prided itself on its quality. Managers continued to view quality as a key selling point; nor did I identify major deteriorations during fieldwork. Yet these long-held priorities appeared to become less secure. One interviewee suggested trade-offs between quality and cost were approaching:

And we probably, nationally, set our safety bar much higher than everyone else, and therefore load in additional costs, and we've been able to do that historically. We're now being asked [series of descending hand gestures, as if to mime this 'bar' descending] – so we go out or I go out and have really difficult conversations about this.

Such downward pressure on quality, albeit from a high start, exemplifies **reconfiguring quality**. While such pressure was neither extreme nor uniform, there were broader signs that quality guarantees were increasingly negotiable. Whereas for a like Operational Finance had initially treated quality concerns as divisional issues, this period saw a related meeting directly discuss possible quality trade-offs. A divisional manager noted that the savings found were 'getting smaller and smaller and smaller'. 'Being radical [as requested] means lowering our safety bar', they warned. A senior manager acknowledged that it indeed meant 'having a greater risk appetite'.

As they acknowledged possible quality-cost trade-offs, senior managers defended the possibility more overtly. One favoured method involved comparing Thyme with other organisations. At one meeting, a senior manager floated having fewer clinical staff involved in

certain procedures 'like many other hospitals have to'. If they get by, the logic seemed to be, why couldn't we? This use of other hospitals to suggest savings were possible exemplified **constructing possibility** and became important at Thyme. Once again, the comparison between Thyme and its surroundings became central to assessing what was possible and desirable.

Notwithstanding such putative savings, financial pressures worsened. While tightening targets could prompt increased financial stringency as the financial year's end approached, the opposite effect was also evident. I observed several recovery-focused divisional meetings with an Operational Finance presence. A senior manager introduced one such meeting to me: it was meant to be a recovery-focused meeting, but now emphasised next year's planning, because 'there's no chance of financial recovery'. This prompted laughter: as targets became further away, they seemed decreasingly relevant, reinforcing Thyme's problems.

This culminated in March with managers announcing a plan they had submitted to NHSI. Slides noted that they remained off their 2017/18 target by 2-3% of income. However, they told NHSI they would meet their target through balance sheet measures worth around 1% of income and as-yet unidentified cost savings of 1-2%. This was, one senior manager observed, 'a very, erm [brief laugh] ambitious – amount of work'.

Even as 2016/17 plans' optimism made their fulfilment risibly unlikely, Thyme formed equally optimistic 2017/18 plans. Both represented **attaining tenuous futures**, as numerically adequate plans proved difficult to realise. So optimistic were 2017/18 plans that some managers felt they exceeded what was plausible through normal means.

Accordingly, they had written to divisions to ask them 'what unpalatable actions' could yield further savings. In calling such actions 'unpalatable', the manager drew on a term current in national NHS discourse. When NHS Providers feared 'unpalatable' choices, these included 'rationing...relaxing performance targets; shutting services...or more explicitly controlling the size of the NHS workforce' (Hopson, 2016). When the King's Fund (2017b) used it in late 2017, they were alluding to risks of rationing or increasing waiting lists. These resonances were not lost on those present when Thyme managers suggested 'unpalatable' measures. One picked up on the term, noting an absent colleague would strongly object to it. However, they continued, 'one person's unpalatable idea is another person's way of meeting their financial target'. Invoking 'unpalatable' options seemed a reluctant description of potential quality-cost trade-offs, and thus of **reconfiguring quality**.

This period saw the financial year end; plans need finalising; and financial pressures mount. This reformulated existing savings structures (**reshaping engagements**), shifted the quality risks Thyme accepted (**reconfiguring quality**) and precipitated an 'ambitious' financial plan (**attaining tenuous futures**).

Interpreting the case

As fieldwork began, Thyme had an apparently stable process for addressing savings requirements. Annual planning cycles enabled a structured approach to annual divisional savings, while a large central programme supported both in-year and transformational efforts. Yet Transforming Thyme underwent substantial change; the planning cycle, while resilient, displayed instabilities; quality came under increasing pressure, with 'unpalatable' savings requested. This section explains these developments.

Attaining tenuous futures: 'smoke and mirrors'

Thyme' operated a delegated savings model: divisions pursued proportional savings, the centre taking little routine interest in how those savings were made. Consequently, they relied on divisions seeing these targets as meaningful and material. Thyme's habit of 'bailing out' divisions made this harder. This was strongly incentivised by national STF rewards for setting and meeting ambitious targets. These were not always targets senior managers felt to be comfortably feasible.

Senior managers adopted various approaches to avoid the sense that divisional targets need not be met. These included deliberate shows of putting balance sheet money in at the beginning of the year and vigorously enforcing targets. They set Thyme in a wider national context, variously emphasising the financial and regulatory climate, Thyme's supposed expensiveness or the potential sectoral consequences of its failure. These techniques sometimes appeared to succeed. Other times, people read such national context differently, seeing Thyme as comparatively financially stable. This ambiguous relation between Thyme and its context, alongside the belief further bailouts were likely, prevented divisions quite believing senior managers' urgency.

It was therefore unsurprising that recovery appeared routine at Thyme. So entrenched was it that a senior review of the year's financial management sought to refine it, as if its continual necessity was inevitable. One division was encouraged to create their plan in the expectation of a 'mid-year conversation'.

The financial year therefore adopted a staccato character. Budgeting entailed optimistic assumptions to reach control totals. Divisions would miss prescribed budgets – perhaps expecting bailouts, perhaps because their plans had stretched to reach ‘ambitious’ goals. This would result in a rapid turn towards stringency and fiscal pessimism: ‘putting all the controls back in that you took off at the beginning of the year’. Financial planning would begin in this atmosphere of trepidation and frustration. Yet, by the final plan, considerably more optimistic assumptions would be included to make ends meet.

This precipitated the ‘jerky’ movement Figure 8.1’s stylised illustration shows. This movement perpetuated uncertainty. Guarantees were unreliable and plans routinely revised. Transforming Thyme staff complained that divisions facing mid-year problems routinely swapped the programme’s more developmental savings schemes for quick, reliable cost reductions. During this staccato cycle, planning was difficult.

Conducting and contesting financial tests: version control

As **attaining** focuses on budgeting processes and **conducting and contesting** on evaluations, overlaps between them were frequent across cases; but particularly at Thyme. Business planning involved frequent evaluations of divisions, which saw senior managers allocate scarce resources, like money and physical capacity. Given these stakes, one might be surprised that divisional managers initially submitted plans so far off central demands.

However, this would misunderstand the role of the plan’s multiple versions. Managers expected repeated versions. Notwithstanding the pledge that this year would feature only two, the use of many versions seemed so entrenched that divisions anticipated more iterations, particularly as versions 1.5 and 1.51 were requested. They therefore also expected to be asked repeatedly to ‘look again’ for savings. Those initially submitting a compliant plan may have left little scope to do so and risk the impression their division housed savings aplenty. Thus initial plans were far from the required total, necessitating the anticipated further versions. The expectation of multiple versions became self-fulfilling, and managers ceased to view earlier versions as the pertinent evaluation of their division.

Business planning was simultaneous with and conducted by the same group as, recovery. Elements of recovery like its tone of frustrated stringency thus also inflected business planning. These emphases contrasted with divisions’ ingoing tone and foci. As Operational Finance became increasingly frustrated that divisional plans missed financial targets, divisional staff increasingly disbelieved that any given plan would be treated as final. This attitudinal contrast explains the process’s acrimony and uncertainty.

Thyme - attitude and key events

Stretching

plans,
flexibility

Plan
pessimism,
stringent
controls

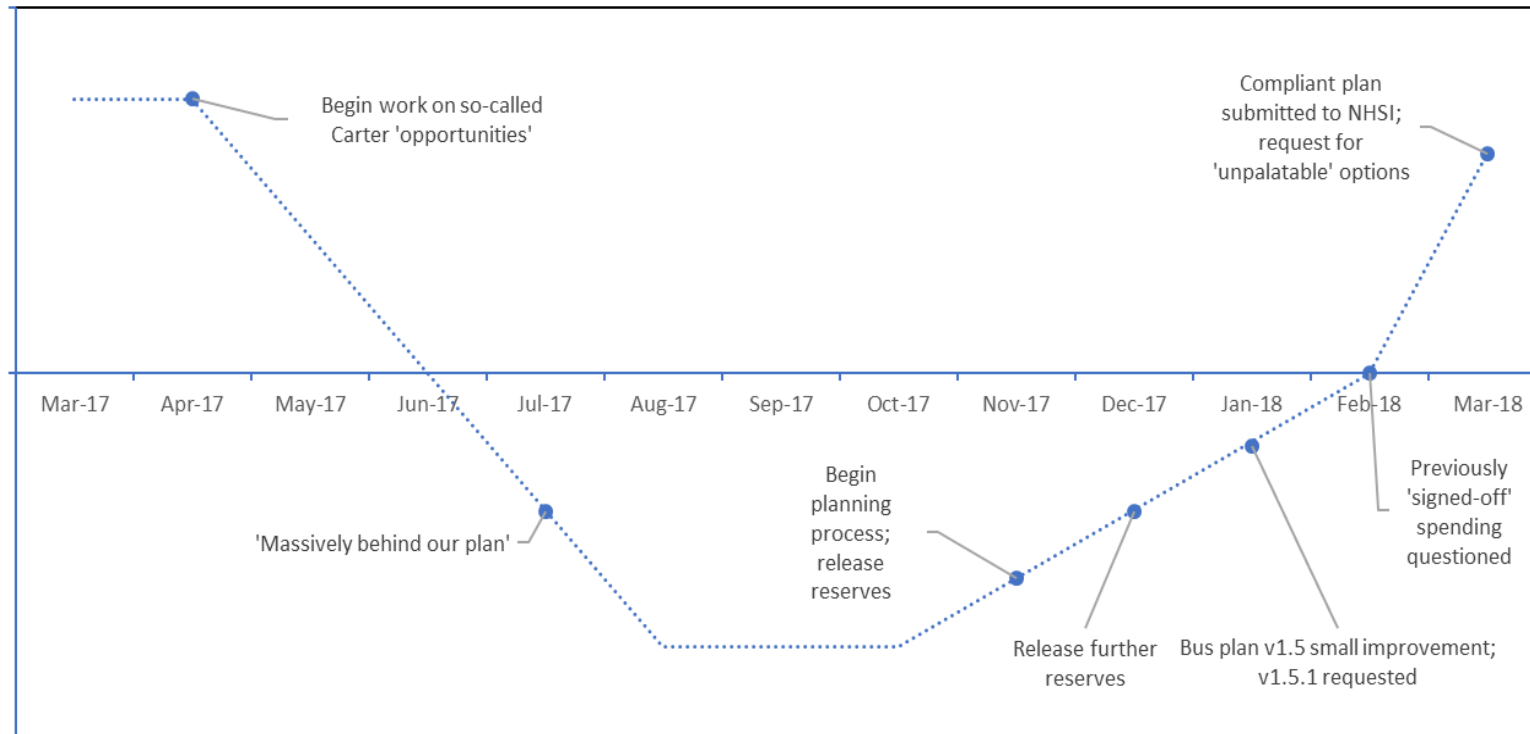


Figure 8.1 – Key events in Thyme

A similar tension increasingly inflected Transforming Thyme's organisational role. Whereas Thyme increasingly emphasised short-term financial gains, Transforming Thyme's outlook was of long-term transformation. Historically, it had justified itself by highlighting short-term gains, but demands for these were growing. And the programme's hands-off approach was ill-suited to robustly demonstrating them. As financial savings were further prioritised, these evaluative tensions jeopardised the programme. Yet its efforts to better meet these new demands, like increasingly seeking and measuring short-term savings, sometimes caused greater internal tensions about such steps' propriety.

Constructing possibility: seeing things differently

These problems were rooted in a divergence between Transforming Thyme and others over Thyme's future. Programmes like Transforming Thyme constructed aspirational images of a 'transformed' future. Others' more modest financial ambitions were based around realising efficiencies. While one could pursue both goals, they represented contrasting images of Thyme's potential future, and competed for the same resources.

This precipitated tensions. Sometimes these manifested as differences between Transforming Thyme and Thyme's operational core. These tensions could be articulated through doubts about the other's aspirations, as when an operational manager jokingly characterised Transforming Thyme's likely contribution to a meeting as 'talk'. Other times, tensions arose during Transforming Thyme's internal discussions, where managers differed about how much to accommodate these rising pressures.

Reshaping engagements: reshaping transformation

Transforming Thyme had changed to fit to the world in which it found itself. While some changes were the moderate modifications to reporting and priorities highlighted under **conducting and contesting**, others **reshaped** the programme's identity. Steps like embracing Carter and increasing internal reporting were controversial. They perhaps mitigated criticism about Transforming Thyme's bottom line. But they were hard to sell to those who had started off in a forward-looking sustainability initiative emphasising ground-up cultural change and transformation. The programme found it difficult to articulate quite what it was.

Transforming Thyme was particularly vulnerable to such tensions because it was 'optional'. Divisions did not have to participate, but were only encouraged by CIPs for their bottom lines. Divisions need not worry if Transforming Thyme projects failed, so long as they found alternative savings. Transforming Thyme complained divisions would sometimes cancel

initiatives mid-year having found easier savings. Without support, it was harder for Transforming Thyme to achieve operational savings.

While many of its initiatives were seen as valuable, Transforming Thyme's strategically oriented programme infrastructure struggled to survive in its current form. As direct criticism rose, programme leaders suggested the restructure that introduced more operational leadership and a PMO. Some Transforming Thyme staff welcomed this as a long-desired greater integration with operational management. However, it was undoubtedly a reform that ceded control, and introduced under pressure more managerialist savings approaches. Whether a smart strategic shift, the result of the predicted 'bust-up' with operational management or both, this major change came as austerity surfaced tensions about Thyme's future.

Reconfiguring quality: layers of judgement

The intersection of the practices described above brought Thyme to a financial position where a compliant plan for the following year represented an exceptional stretch. Yet it was nevertheless remarkable to see an organisation which so prided itself on quality seek 'unpalatable' savings. This section attempts to explain that decision.

Financial scarcity inevitably made it difficult for even a comparatively well-off organisation like Thyme to combine STF targets with high quality. Its deteriorating access targets had made clear that quality consequences might be difficult to avoid. This pressure seemed to affect how quality was discussed. Increasingly, staff set less optimistic goals for quality. Particularly when savings were discussed, staff talked of reaching acceptable, not maximal, standards. Sometimes, this acceptable standard was based on Thyme's current standards. As pressure intensified managers also looked further afield, noting organisations with, say, fewer staff per patient. If their quality standard was acceptable, ran the argument, was it not acceptable here too? Managers advocating a raised 'risk appetite' drew on the wider context NHS to justify it. There was a movement from maximising to satisficing quality.

Potential quality problems also prompted avoidance of some value-laden quality decisions. This was partly structurally entrenched: Operational Finance acted increasingly as a group designed to discuss finance, not quality, which they saw as a divisional matter. Yet they set the budgetary parameters shaping financial and quality outcomes. Other times, this withdrawal from value-laden dilemmas was achieved discursively, like the euphemistic call for 'unpalatable' savings. Notably, this phrase came from national discourse, letting managers use

it partly in quotation marks. Some increasingly retreated from value-laden decisions about quality.

In turn, this sometimes precipitated oblique or ambiguous discussion of savings' quality implications, leaving more junior staff to resolve these ambiguities. This does not mean quality was neglected, nor that staff disregarded it. Rather, it explains how an organisation that was invested in quality came to call for 'unpalatable' solutions.

Conclusion and theoretical reflections

Thyme's case is partly explained by existing austerity management theory. The subsections below examine areas where it is not. They cover i) types of savings, ii) the process of austerity management; iii) repeated budgeting, and iv) external factors affecting organisations. Points already made in Chapter 6 are not rehearsed here; Chapter 10 covers explicitly comparative points.

Hybrid savings and overdetermination

Traditional austerity management theory sharply distinguishes across-the-board from 'targeted' savings (Levine, 1985; Raudla et al., 2015). Yet Thyme demonstrated more complex formations. Most obviously, it combined Transforming Thyme's specific 'targeted' savings with divisions' 'across-the-board' responsibilities. It is unsurprising to find such 'hybrid' combinations of savings; organisations' strategies seem more nuanced than traditional dichotomies accommodate.

Yet it is how Thyme combined these approaches which is striking. Rather than segmenting its savings aspirations, allotting a proportion to divisions and the rest to central programmes, it made Transforming Thyme one device by which divisions could fulfil their responsibilities. Individual savings could therefore be counted as both a Transforming Thyme saving and a divisional one. The dichotomy between 'across-the-board' and 'targeted' is unsatisfactory. Such savings were *overdetermined*, both centrally targeted and allocated across-the-board.

Nor was this overdetermination incidental. Structured around these overdetermined savings, Transforming Thyme was merely one option among many for divisions seeking savings. Rather than divisional participation in central plans being mandatory, Transforming Thyme found itself competing with more direct, less aspirational savings. It was thus difficult to keep divisions committed to its savings. This partly explains its operational initiatives' underperformance, and thus the programme's problems. Savings programmes structured around overdetermined savings may struggle to maintain their organisational position.

Strategic to managerialist savings

The traditional austerity management literature subdivides ‘targeted’ savings into ‘strategic’ and ‘managerialist’ efforts (e.g. Dunsire and Hood, 1989). The former orient to the future and involve major changes; the latter are shorter-term and emphasise efficiency improvements. While clear boundaries between ‘across-the-board’, ‘managerialist’ and ‘strategic’ savings are elusive, Transforming Thyme’s long-term transformational ambitions represented the ‘strategic’ end of Thyme’s approach.

In long, drawn-out periods of austerity, theorists expect such elements to become progressively more prominent as organisations realise the deeper changes required to overcome the crisis (Hood and Wright, 1981; Kelly, 1989; Levine, 1979, 1985; Pollitt, 2010). Beck Jørgensen specifically anticipates a movement from across-the-board, to managerialist, to strategic efforts (Dunsire and Hood, 1989, pp.170–178). It was therefore surprising Transforming Thyme fared poorly. It was striking to see it increasingly emphasise short-term financial savings and latterly adopt the PMO structure and operational control characterising managerialist approaches like Dryas’s. Meanwhile, Thyme’s ‘across-the-board’ component survived without apparent question despite routine delivery difficulties.

With such developments puzzling existing theory, Thévenot’s concept of measurement objects again proves useful. Transforming Thyme had been built on a long-term *connectionist* ‘transformation’ ambition and saw the world primarily in terms of such long-term aims (Boltanski and Chiapello, 2005). Yet Thyme’s time-horizon was contracting. Short-term financial *plans* became increasingly dominant. These evaluations were difficult for Transforming Thyme’s aspirational programme. It thus increasingly measured short-term financial benefits to fulfil such *tests*. Yet this fuelled disquiet inside what was styled as a light-touch transformational programme. Facing ongoing strategic pressure and internal opposition, it eventually moved towards the managerialist, PMO-style programmes it once defined against.

The changes in Thyme pertained less to staff ‘realising’ the realities of a long-term crisis, and more to a programme’s difficulty grasping the evaluative regime austerity brought. Long-term aspirational programmes like Transforming Thyme may face difficulties because their evaluative outlooks clash with the *situations* organisational leaders apprehend.

Repeated budgetary evaluation

Writers on austerity management generally conceptualise resource allocation as something that happens once each year. Budgeting is often imagined as a one-off ‘decision’. Where a

multi-stage process is envisioned, it is progressive, with different questions gradually assembling information necessary for decision-making. Rubin (1977) describes in-year revisions to the budget, but bases these on changing external circumstances and poor internal estimations thereof, not organisations' inherent internal dynamics. Others considering such phenomena do so in terms of frenetic mid-year rebudgeting (Caiden and Wildavsky, 1980). They thus do not account for Thyme's budgeting process. Neither mid-year disarray nor a formal additive process, it involved repeatedly asking divisions the same questions until answers improved.

Thyme's repeated requests for budgetary plans did involve the instability Caiden and Wildavsky (1980) expect of mid-year rebudgeting, but was surprisingly routinised. So established was the pattern that managers knew to expect more versions of the financial plan than initially announced, and even 'mid-year conversation[s]'. That central staff repeatedly asked 'how much can you save?' did not demonstrate limited financial control but was a mechanism by which that control was maintained. While I observed a period which saw this mechanism pressurised, it seemed to have become established over years. Uncertainty over which plan would be final did make planning and relationships difficult. But it facilitated a gradual movement towards a required goal, in which divisions themselves 'found' additional savings over time. A stabilised instability had developed.

Role of the external

Given this model of financial control, Thyme's delegated budgets relied on divisional managers believing savings needs were real. Senior managers worked to cast Thyme as facing major financial threats. They routinely imported the national context of austerity, arguing Thyme should behave as poorer organisations had to. Key meetings with divisions followed a pattern, beginning with a 'speech' about financial jeopardy, and Thyme's reputation as expensive. In Thévenot's terms, managers contextualised Thyme's *situation* in this wider landscape, describing greater financial jeopardy than would describing Thyme alone.

Managers also utilised normative language from national debates, like the 'unpalatable' ideas they requested. These quotations came when navigating delicate normative questions like possible trade-offs between cost and quality. In Thévenot's terms, managers drew on established *compromises* between cost and quality. If *compromises* become more durable with use (Boltanski and Thévenot, 2006), we might expect such nationally authorised *compromises* to be more acceptable than new ones. Invoking a *compromise* devised elsewhere arguably also limited managers' personal implication in such 'unpalatable' suggestions.

This vindicates Chapter 4 (p.62) and Chapter 5's (p.77) suggestions: austerity management is partly shaped by its national policy and discursive context. A detailed analysis of austerity management cannot be constrained by organisational boundaries.

Concluding remarks

Thyme demonstrates the complexity of organisations' savings approaches, and the breadth of their developmental trajectories. It highlights organisations' multiple objectives and the consequences when they conflict. Transforming Thyme's development demonstrates the risks programmes targeting 'strategic' change face under short-term austerity pressure, particularly when structured around *overdetermined* savings. Meanwhile, Thyme reinforces earlier claims about the importance of a multi-level, discursive approach to austerity management.

Thyme contrasts with Dryas, which started with a considerably more 'managerial' approach, moving towards a more 'strategic' one. Yet it also echoes Dryas's story in demonstrating how savings approaches grow unstable when unable to capture austerity's turbulent realities. Yet neither organisation faced the most significant austerity pressures. They demonstrate the consequences of even moderate pressure: one wonders how such pressures would play out in poorer organisations. Accordingly, we now turn to Aloe: both an example and a product of organisations facing the greatest financial distress.

Chapter 9: Aloe: case narrative

Introducing Aloe

Aloe is a private company providing support services to NHS hospitals. Exemplifying an increasingly popular structure in the NHS, it is a Wholly Owned Subsidiary (WOS) of Garrrya, a large Foundation Trust. WOSs are characteristically created when NHS bodies ‘spin out’ departments into private bodies. They have been described as ways to exploit commercial opportunities or outsource services without losing profits and control. More controversially, they can reduce pay costs by circumventing NHS employment terms.

They can also reduce hospitals’ tax bills. When hospitals provide services in-house, they pay sales tax on supplies. Yet when private companies – including WOSs – provide those services to the NHS, such tax can be reclaimed (*Value Added Tax Act 1994*; HMRC, 2012). WOSs let NHS providers reduce their tax liabilities without ceding control to external corporations.

Depending on one’s perspective, this is either a scandalous manipulation of tax rules or a way to level a playing field previously skewed towards private competitors.

Garrrya was Aloe’s owner and sole client. To protect Aloe’s identity, I do not specify the services it provided. However, they fell within the range of functions WOSs characteristically perform, like estates, facilities, laundry, pathology, pharmacy, procurement and strategy (Dunhill, 2018). Unsurprisingly, given potential tax advantages, WOSs generally provide services requiring significant supplies procurement. They are largely non-clinical but interdependent with clinical work. WOSs are characteristically medium-sized: the *Health Service Journal* categorises them into organisations with more and fewer than one hundred staff. In these senses, Aloe typified WOSs.

Aloe was a young organisation formed under austerity. Across sites, I asked staff about responses to austerity. Aloe staff often replied that Aloe itself constituted such a response. Garrrya decided to create Aloe when under substantial strain. Tax officials (HMRC) approved Aloe’s creation so long as it had a non-tax commercial purpose and was demonstrably at arms’ length from Garrrya. This arrangement still offered tax benefits.

Garrrya recruited a major accountancy and consultancy firm (AccountantsCo) to design Aloe. Within a few months, it had received NHSI’s go-ahead. Aloe was created as a legal entity, and senior managers seconded to set it up. When I arrived in March 2017, Aloe was responsible for varied activity formerly conducted by Garrrya. Many senior staff were still temporary and its systems nascent; but Aloe’s responsibilities were real.

Garrya, and consequently Aloe, faced major financial problems. By 2016/17, Garrya had been seeking CIPs around 5% of annual income. These savings ambitions had failed, Garrya posting a year-end deficit of 5-10% of income. 2017/18's CIP target was higher still. Around 10% of these CIP ambitions were to be achieved within Aloe. For a new, small organisation without independent investment capital, this represented an extremely high ambition.

Period 1: Becoming real (March to June 2017)

'Imaginary savings' and 'concrete things'

Aloe had been set up rapidly. While rank-and-file staff were largely transferred from Garrya, senior managers included staff with private sector backgrounds on short-term contracts. It relied on some of Garrya's administrative procedures but was hurriedly establishing its own. Senior managers focused on getting junior colleagues to adopt a 'commercial' attitude towards their erstwhile Garrya colleagues. Changes were sometimes more intended than achieved: managers regularly found themselves invoking 'the new structure' to cajole junior colleagues into working through its commercial channels. New and old processes, commercial and cooperative attitudes, overlapped uneasily, lending the Aloe I entered in March 2017 something of a knocked-together feel.

When AccountantsCo designed Aloe, they had identified savings their model would enable. Alongside input costs reductions, these focused on 'clinical time'. Improvements at Aloe were to 'release' time Garrya's clinicians previously spent on Aloe's inefficient processes. In fact, Aloe's savings targets assumed they could more-or-less eliminate clinical time from the functions they now controlled. Additionally, each transaction at Aloe was expected to make 'profit', which returned to Garrya's bottom line.

It was difficult for Aloe to contest these suggested savings on which its creation was partly premised. It thus became outwardly committed to their viability. This study did not observe AccountantsCo's work, but they seemed to have derived proposed savings totals for Aloe through discussions with individual Garrya departments, thus linking global savings estimates to concrete organisational sites. All this helped make hypothetical savings seem concrete and immediate: it helped **construct possibilities** of savings.

Even were this unpersuasive, Aloe profoundly depended on Garrya. It was solvent only because of loans Garrya provided following lengthy negotiations around the turn of 2017. It had a poor bargaining position to resist suggested savings. March 2017 saw AccountantsCo's projections become the basis for Aloe's 2017/18 CIP obligations.

Aloe's dependence on Garrya left it in continual financial jeopardy. Its work required significant supplies. But Aloe lacked sufficient internal resources to pay eventual bills, relying on Garrya's reimbursement, which was not always promptly forthcoming. With debts unpaid, Aloe would each month be placed 'on hold' by several suppliers: they would stop providing goods. This made day-to-day work difficult, anxious and inefficient, highlighting Aloe's broader resource scarcity. By May, a senior manager would observe that without further funding, 'no matter how you model it up, we're bankrupt this time next year'.

With Garrya's savings demands significant, senior managers prioritised them. Yet galvanising all staff towards making savings was difficult. Commercial virtues of profitability and efficiency did not come easily, senior managers suggested, to longstanding NHS staff. While this did not seem true of everyone, requested savings sometimes conflicted with more junior staff's priorities, like their loyalty to Garrya and its services. Senior managers cast savings as vital given Aloe's financial difficulties, as the prediction of bankruptcy above exemplifies. Such construction of financial emergency exemplified **attaining tenuous futures**.

If such narratives persuaded staff savings were needed, they did not simplify making them. With significant gaps in its financial plans, Aloe engaged in extensive **constructing possibility** by critiquing earlier savings objects and constructing their own. Managers criticised how savings were managed before Aloe's creation. One described earlier CIP tracking efforts as a meaningless 'management game'. Such critiques of savings seeming inadequately linked to real-world savings set the scene for a 'raft of rules' defining CIPs to avoid 'reporting savings that weren't real'. Both this critique and its remedy constituted important efforts to **construct possibility** by casting today's savings ideas as material, 'real' entities.

Yet these changes were not immediately successful. When April's CIP performance was disappointing, senior staff explained this underperformance in terms of poor CIP plans. 'Ideas' had been put onto the CIP Tracker without clear associated plans associated, overestimating likely savings and precipitating subsequent underperformance. Aloe still seemed troubled by 'management game' savings.

If a CIP Tracker's reliability generally matters, it was vital in Aloe. Many of their savings accrued not to their bottom line, but Garrya's (e.g. 'clinical time'). To be credited with such savings, they needed to demonstrate that they had made them. If they improved a process's efficiency for Garrya's clinicians, they were only financially rewarded if able to demonstrate the specific portions of 'clinical time' saved. Aloe had not only to make savings but also to pinpoint how

they did so. Such savings were not only guided by measurement but financially useless to Aloe without it.

This necessitated a complex infrastructure of measurement and modelling to establish a process's costs before and after Aloe's intervention. Senior staff bemoaned junior colleagues' inadequately measuring the clinical time a process consumed before interventions to reduce it. Making a CIP involved not only reducing overall spending but also fashioning that reduction into a specific, definable benefit. One meeting discussed potential service changes.

Senior managers expressed disquiet about inadequate 'process mapping' of one process before changing it. What they saw as an insufficient, rudimentary map had been supplied. One complained that 'unless you process map something then the SOP [standard operating procedure] isn't real'. A ninety-minute training session on process mapping was requested.

Later on, another change Aloe was leading was discussed. A senior manager asked whether anything therein could 'release back clinical time' and thus become a CIP. Not receiving a definite answer, they decided a session should be run on the definitions of CIPs. (Fieldnotes paraphrase)

'Process mapping' and identifying 'clinical time' to 'release' were important because they pinpointed elements of a process which could be stopped. Process mapping visualised these, constructing them as 'real' objects. Fitting a change to the definition of a 'clinical time' CIP similarly formatted it as a removal of a real, specific time period from a repeated 'process'. Both were sufficiently important that an organisation under significant stress requested training on them, because both helped staff create complex changes as clear, concrete objects. That is, it helped **construct possibilities** of savings, a step vital to receiving financial compensation from Garrya.

'Making the business real'

Even while Aloe depended on Garrya, it also had to demonstrate its independence. HMRC's approval relied on Aloe remaining at 'arm's length'. Early work attempted to demonstrate Aloe's distinctness from Garrya, such as by adopting different administrative systems.

Central among these efforts was a complicated contractual infrastructure managing the organisations' relationship. Senior managers sought to operationalise these contracts by strictly defining the services provided to Garrya and avoiding unauthorised changes therein. A system of 'service change requests' was established. If a Garrya department wanted Aloe to do something new, they were to complete a form and send it to a Garrya official responsible for

the contract. They would then liaise with senior Aloe managers and decide on the change and its pricing. This aimed to replace less formal coordination between junior staff, which appeared previously to have been normal.

Junior Garrya staff were no longer authorised to request such changes. Without formal contractual requests, said one senior Aloe manager, it was unclear whether Garrya really wanted something, or there was just a 'bod' there who did. For senior managers, contracts were vital to deciding the right thing to do because they evaluated whether senior staff were happy to pay for a given service. Put differently, contracts were used to **conduct and contest financial tests**. They kept such judgements senior, 'narrowing' where decisions were taken: between senior managers, not 'bods'.

If successful, this policy would make inter-organisational coordination a more senior activity. One potential downside of such an arrangement is a loss of local relationships; accordingly, Period 1 saw plans to hire staff placed in Garrya departments to preserve local relationships. Yet this was taking time. Without them, there was little evidence that the contractualised structure fostered close working relationships between junior staff. I asked one staff member about the organisations' relationships:

I: What's the situation at Aloe's relationship with [department P recently worked with] like at the moment?

P: Not great.

I: OK

P: Not great.

I: Is there more that you feel able to tell me about that, or?

P: Yeah, I'm just thinking cos that was my instant reaction. We don't have a- well there's not a presence there yet. There's not – staff at Garrya don't automatically look to Aloe for answers.

The interviewee continued by bemoaning the lack of routine engagement between their colleagues and Garrya staff: 'Garrya probably wouldn't even know who half the staff here are', they said. For this interviewee, this lack of contact perpetuated poor relationships. Consequently, Garrya did not look to Aloe for 'answers'. Instead, they were seen as a 'barrier' – people bringing 'policies and procedures' not 'an integral part of them delivering care to patients'. Staff would later describe the client-customer relationship as inhibiting

collaboration. Increasingly emphasising senior contractual relations, Aloe did not foster relationships between more junior staff.

Yet this did not imply that Aloe staff adopted the commercial identity their contractual infrastructure promoted. Some saw the transition as more-or-less cosmetic:

Aloe have come in, we've got new uniform, the guys have got a new uniform but not a lot has changed really not to the fundamental operation or activity you know. We still go to those wards [and act] under the Trust's policy.

Notably, this interviewee describes 'Aloe' coming in, as if an outsider to 'the guys' ('we') who were there before. 'Aloe' seems to describe not a shared organisational identity, but the new management regime. It was still Garrya's 'wards' and 'policy' under which staff act. The 'new uniform' is ephemeral; the 'wards' and 'Trust's policy' as enduring. New contracts and structures did not make new identities.

Staff loyalties were at best torn between Aloe and Garrya. This tension was clearest when the organisations' interests conflicted. Before privatisation, Aloe had been piggy-backing on another organisation's service to provide additional help to Garrya. When the other organisation decided to stop providing their service, Aloe staff discussed how they should respond:

A manager updated the meeting on efforts to continue providing their service. But a senior colleague interjected, suggesting they should just tell Garrya they could no longer do it: the 'business case won't stack up'. The fact that they did this historically, they continued, did not mean they should continue. But who would therefore be picking it up, asked the first manager? 'Not our problem', replied their senior colleague. (Fieldnotes paraphrase)

The first manager here adopts a traditional conception of healthcare organisations' responsibilities. Asking how the service will continue, they seem to consider the problem from Garrya's and patients' points of view. Yet their senior colleague focuses on Aloe's commercial responsibility: they should follow 'the business case'. Such interactions highlighted the plural conceptions of the right thing to do present within Aloe. The same issues would recur over several discussions, as disputes played out as negotiation processes. For many, reducing quality or access was unacceptable. Yet for some senior colleagues, often with private sector backgrounds, quality was primarily relevant when there was a 'business case' for it. Such

disputes thus exemplified **reconfiguring quality**, which was often based on the disputed extent of Aloe's moral role where quality was in question.

The above passage, with senior managers' effort to separate off Aloe's responsibilities from those of other organisations draws also on **conducting and contesting financial tests**. It highlights disagreement between junior and senior managers about how Aloe should allocate resources. Senior managers' arguments consider Aloe as a standalone private company whereas junior colleagues are concerned with what is right for Garrrya-and-its-subsiary. Here, the dispute is not so much about the metric evaluating appropriate action as about the actor being evaluated. The disagreement is less about 'what we should do' than about who 'we' are in the first place.

This struggle to be evaluated as a distinct, independent organisation was also central to Aloe's supplier relationships. Aloe was not consistently successful, many suppliers continuing to view them as Garrrya's offshoot. By May, they had begun paying some suppliers which had placed them on hold. Yet many offered them low credit limits, still associating many of Aloe's orders with Garrrya, whose financial problems made it less creditworthy. This was no trivial problem: some credit limits were low enough to prevent anything but the smallest orders. Association with Garrrya perpetuated Aloe's financial problems.

Aloe thus faced a thorny problem: it was seen as too close to Garrrya to be evaluated independently; yet collaboration with Garrrya remained difficult. This made getting enough resources from Garrrya difficult, precipitating continued problems being 'on hold' this period. It also left Aloe having to improvise. As financial pressures mounted, Aloe could not do all it was supposed to. Being so often 'on hold' had clinical implications for Garrrya. But it was Aloe's finance managers who faced decisions about allocating scarce money – and faced them without close working relationships with Garrrya's clinicians:

I asked one manager how they allocated scarce cash when trying to get 'off hold'. They explained that they first prioritised getting off hold, then based on clinical need and availability of substitutes. However, 'finance [are] not geared up' to be making decisions about 'urgency of clinical need'. Consequently, they ended up prioritising whichever clinical area 'shout[ed] loudest'. (Interview notes paraphrase)

Without clarity on what they were meant to prioritise or the close clinical relationships that could have enabled them to find out, Aloe staff were left making clinical prioritisation decisions for which they were ill-prepared. This represented a version of **reshaping**

engagements, but one characterised not by innovatively reframing how decisions were made but scrambling to cope.

Aloe seemed a difficult organisation to work in. For all its effort to become real, independent and viable, it faced pressures that left it struggling to continue. While one could see this as a situation of existential threat, staff tended towards less troubling narratives. Interviewees located Aloe on a natural trajectory of growth and development: 'like an infant, trying to learn how to walk, learn how to talk'. A senior manager evaluated early progress positively because they had made 'strides in terms of operationalising the business': they were 'making the business real'.

This narrative of becoming real was prominent within Aloe and explained its otherwise somewhat chaotic situation in terms of its future trajectory (**constructing possibility**). While Aloe's separation from Garrya was not wholly convincing and its financial standing precarious, this period nevertheless saw its basic systems get up-and-running. It looked possible that narratives of development towards a 'real organisation' could come true.

However, it was during this delicate stability that Aloe faced a major shock. I first learned of Aloe's CIP target in April, though interviewees noted it was not necessarily yet confirmed. After two months' underperformance, I learned in June that Aloe's CIP obligations were to be higher: an additional 'CIP Plus' gave a target 50% higher than the totals I had heard in April. Staff also seemed surprised by this, and a senior manager would later complain about targets' changeability. June seems to have been an important instance thereof.

Period 2: External shock and suspicion (June to August 2017)

CIP Plus

This change in the savings target seemed to significantly destabilise Aloe and its relationship with Garrya. **Conducting and contesting financial tests** remained important and increasingly emphasised disputing and evading Garrya's apparently altered financial tests. This subsection focuses heavily on this practice.

During a meeting in which a senior manager had announced the new savings target, they warned that Garrya had hired AccountantsCo to find savings. Consequently, they continued, they to 'manage our data out of here' to avoid AccountantsCo's financial evaluation of them. While Aloe had previously shown caution about sharing data, the urgent tone was new and attached to fears financial targets would rise. There seemed decreasing faith that financial targets were fixed.

CIP Plus frustrated managers, particularly given previous smaller increases in savings obligations. One described this process in an interview.

I: Tell me about that discussion [about savings levels]

P: Well I suppose it's a reflection of where the Trust [Garrya] is currently in its financial position. So contractually annually we're required to deliver [amount]. So then we had a new [senior Garrya manager] who said 'Oh influenceable spend, you must be [higher amount]' but historically this...department have been – perhaps not looked at certain areas because they've either not had the resource or they're not encouraged. So then given that the CIP Plus came along and again no real science behind how it got, it was [amount] and then it went to [higher amount], lovely [senior manager at Garrya].

To this manager, Aloe's savings obligations seemed to ebb and flow with the waters Garrya navigated. I did not directly request a history of their savings targets; by giving one, they emphasised the targets' changeability, and exhibited frustration. The language attributed to one Garrya manager – 'oh, influenceable spend' – makes their decision sound casual or capricious, while the other is ironically labelled 'lovely' for adding to Aloe's obligations. The interviewee thus critiqued Garrya's apparently changeable **financial tests**.

Aloe ran a workshop to discuss responses to these savings targets. Partly, this became a forum for Aloe staff's frustration about Garrya's expectations. This included both senior Garrya managers' savings targets and junior staff's hopes about what Aloe might provide. One Aloe manager worried that Garrya staff, seeing Aloe make improvements, had begun to suspect they had a 'magic pot of money'. Echoing language prominent in contemporary political discourse, staff said they needed to clarify that Aloe had no 'magic money tree'. Anxiety about Garrya's potentially changeable expectations pervaded organisational levels.

At the workshop, senior Aloe managers described their proposed approach to the additional savings requirements. They described decreases in departmental budgets, significant CIP targets and an increased central reserve to buffer further financial shocks. While senior managers emphasised continuity with earlier financial plans, departmental staff seemed surprised by the extent of these financial requirements.

Like the organisational targets Garrya imposed, these divisional targets provoked significant opposition. One department was now expected to realise CIPs equivalent to most of the 'clinical time' involved in the processes they supported.

A departmental manager queried their department's projected savings, noting that it seemed to be about 80% of the total clinical time AccountantsCo had estimated in their processes. A corporate manager explained that this was because they did not think that all clinical time could be excluded from the process. The departmental manager protested that, given the point in the year, achieving this target required them to do just that. A senior manager intervened, stating that the department could find other ways of making savings too. When the departmental manager protested, they simply replied: 'That's your target'. (Fieldnotes paraphrase)

This conclusion was surprising; senior managers had generally attempted to justify, not impose, their targets. Yet in this meeting, justification had become difficult. When the senior manager intervened, the consensus had already developed that these targets constituted saving 100% of AccountantsCo's estimated clinical time and that this goal was unreasonable. It was thus that they ended up stating the target as fact, not something up for dispute: when financial tests were explicitly contested, they attempted to authoritatively enforce them.

Such targets might once have been justified by reference to Aloe's contractual obligations. Yet these too came under increasing fire. This meeting saw managers describe the complex contractual infrastructure negotiating the two organisations' responsibilities. Yet they admitted that contracts were not yet finalised and signed, with key elements like Aloe's KPIs unconfirmed. Departmental managers strongly criticised this situation, noting that they needed to know their goals. They characterised holding off signing contracts as pointless: they were already in bed with Garrya, so how long could this stand-off continue? The contractual infrastructure that might have vindicated Aloe's commercial responsibilities was increasingly seen as ephemeral. Contracts were irrelevant: the real relationships with Garrya already existed.

Consequently, rather than making inter-organisational relations seem just, robust and durable, efforts to contractualise Aloe and Garrya's interactions had the opposite effect. As observed above, they centralised coordination at a senior level, and created or perpetuated distance between junior colleagues. With contracts unsigned and savings demands changeable, Aloe staff did not feel Garrya's equals. As one observed at this meeting, 'they own us'.

With savings obligations rising, trust in Garrya decreased. During the above finance meeting, staff suggested ways to save. One senior manager emphasised the importance of taking a baseline before a change so one could demonstrate subsequent improvement. A junior colleague suggested a good way of doing this:

The trick was to speak to clinical staff about the status quo before they knew 'your intentions': 'before they know you're [trying to] strip their clinical hours'. The manager acted out casually asking a clinician how much time a problem was wasting. (Fieldnotes paraphrase)

The manager making this suggestion did not trust clinicians to identify the extent of problems if they knew Aloe's financial motivations. Consequently, they recommended withholding their reasons for asking. As financial tests grew increasingly demanding, a climate of mistrust appeared to grow.

'What keeps us alive'

The apparent increase in Aloe's targets based on 'where the Trust is...in its financial position' made the organisations' interconnections increasingly clear to Aloe staff. Yet frustration, diminishing trust and the need to demonstrate Aloe's independence perpetuated distance. Aloe felt closer to Garrya's financial threats and quality dilemmas without experiencing more collaborative relations.

Efforts to distinguish Aloe from Garrya continued but showed increasing strains. Period 1's trend, in which managers emphasised Aloe's non-responsibility for considerations outside their contracts, did persist. Managers proposed to charge Garrya for an 'on-call service' they were accustomed to receiving without charge.

Yet other times, there was an uneasy recognition of the implications of Aloe's choices for patient wellbeing. Asked about receiving Garrya requests that contravened Aloe's interests, one manager suggested they should consider among other factors the implications for 'quality' and 'how close it is to patient care' before adding the caveat: 'that's my sway on it because I'm too Garrya'. This concern for the clinical outcomes of Aloe's choices seemed to be unavoidable, but not what managers felt they were supposed to be doing. This increasing acceptance of Aloe's embroilment in quality dilemmas signalled that it had become harder to **reconfigure quality** as they once had, by diminishing quality questions' moral implications.

Facing CIP Plus demands and continued problems 'on hold' with suppliers, Aloe became increasingly aware of its own fragility. Even in what might be expected to be more optimistic areas of work like the possibility of gaining new business, frustration and apprehension were evident. It was always intended that Aloe would gain business from other hospitals, and staff had actively investigated opportunities. One senior meeting indicated this was close to bearing fruit:

One senior manager updated on work to gain new business. A potential customer had made an offer to which Aloe were broadly amenable. Another manager noted they would need Garrrya's agreement but that 'we've also become a CIP to do this'; '£[amount] stuck against us' confirmed the first. Managers noted that it might be hard to be ready to deliver the proposed services in time. The first manager observed that they were 'selling the idea' of Aloe but at the same time 'running alongside' to get services up-and-running. (Fieldnotes paraphrase)

The language managers chose to describe Aloe's financial obligations to gain new business exhibited their frustration: obligations were 'stuck' against them; that they had 'become a CIP' emphasises the change relative to initial expectations. With rising savings obligations, Aloe seemed decreasingly stable. Managers described rapidly **reshaping engagements** by readying Aloe's processes. Casting this as 'running alongside' emphasised their increasing unease about Aloe's incompleteness. Even while selling their infrastructure to clients, they found themselves scrambling to create it.

This awareness prompted a tone of threat and urgency during this period. Whereas Period 1 was characterised by discourses of natural development, Period 2 saw Aloe's incompleteness increasingly problematised ('we don't have any SOPs; we don't have any policies'). It was accompanied by a growing discourse of existential threat of the sort which characterised **attaining tenuous futures**. As the finance meeting described above ended, one senior manager suggested discussing the ideas generated with frontline staff before implementing them. But another said they could not afford to delay: it 'doesn't take Einstein to know £2m in 6 months is £4m'. If savings were not made quickly, they would end up with a 'red pen exercise' and 'looking at people's budgets'. 'Nobody in the business should not be contributing to this', the manager continued: 'this is what keeps us alive'.

Period 3: Internalising instability (September 2017 to February 2018)

As Period 2 became Period 3, frustration with Garrrya and its targets gave way to acrimony within Aloe around efforts to meet them. It began with a senior meeting in September at which several steps were taken to increase internal scrutiny. This intensification of savings governance and decreasing internal trust characterised Period 3.

Internalising mistrust

Period 2's frustration with Garrrya continued. But this outwards-looking frustration was complemented by an increasingly uncertain internal environment. Uncertainty about Garrrya and about Aloe's ability to fulfil financial plans were augmented by high staff turnover. Since

Aloe took over these services, some former Garrrya staff had left; while senior managers' short-term contracts were ending. This fresh instability reinforced Aloe's growing sense of uncertainty and financial urgency, contributing to **attaining tenuous futures**.

Facing these multiple types of uncertainty, Aloe's senior management turned their gaze inwards. Notwithstanding ongoing frustration at new financial targets, senior managers treated them as necessary. Senior managers had repeatedly expressed frustration about certain junior colleagues, particularly concerning savings. During this period, they responded with a new governance structure which increasingly emphasised tracking CIPs, including a weekly monitoring meeting led by a senior manager. By creating a new framework for increasingly intense financial tests, this interwove **reshaping engagements** and **conducting and contesting financial tests** – a combination exemplary of this period.

This decision came at a senior meeting which signalled a change of direction. Managers established a new governance structure, decided against renewing one manager's contract, and rejected a business case they broadly supported to encourage more work describing its financial benefits. This tougher tone and emphatic monitoring characterised Period 3.

This tone seemed pervasive. I observed a meeting designed to monitor CIPs. One manager intensively questioned colleagues about the savings they and their teams oversaw. Some questions focused on individuals responsible for savings, including asking whether one was up to the job. There did not seem to be complete mutual trust: one manager prefaced a section of the meeting by telling colleagues that they 'need[ed] you to be – and I'm sure you always are – absolutely honest'. When managers argued that they lacked resources to make these savings, they were asked to stop bringing up the 'resource issue', which was not the meeting's purpose. This felt a more personal, edgy form of scrutiny than previously encountered.

Departments facing growing financial targets and more stringent oversight attempted to avoid negative judgements. One department was required to conduct part of a process within ten working days. Staff there felt that this was frequently difficult because the process was handed over to them with errors or obstacles remaining. Consequently, they created a standard operating procedure that stated the upstream department should not hand over the process until everything was ironed out. This meant starting the clock on their part of the process later without necessarily speeding the process overall.

Departments anticipated more negative interactions with one another, and their overseers. One department faced atypically severe 'credit hold' problems. They resolved to continue to

pressure another department to resolve the problem but had little faith their colleagues would act on their requests. Another meeting saw a department feeling under-resourced discuss plans to ask a senior manager for more staff. The manager tasked with doing so anticipated the 'shit sandwich' they would receive in return.

This was not eased by a lack of trust between staff and managers. Still loyal to Garrrya, and particularly its patients, some staff found senior management's increasing financial focus objectionable. As one interviewee reported, 'it's one of the things I struggle sometimes with Aloe, so, certain [senior managers] at Aloe don't believe we're here for patients, we're here to save money'. They argued that 'we work in a hospital so, there's only one person [the patient] that's at the end of [Aloe's processes]'. I heard of a large February meeting in which one member of staff expressed similar views. Senior staff replied – in one interviewee's words – 'no, no, no, we're here to make sure that our client saves money and to be more cost effective...they openly say that'. The modifier 'openly' marks the distance between this reported attitude and the interviewee's own. Some prioritised objectives which conflicted with those of senior staff.

Like Period 2, this period entailed considerable **conducting and contesting financial tests**; but these tests turned inwards as senior managers sought ways to find savings. They often happened through new structures or with new tones, entailing significant **reshaping**. They were not universally accepted, but substantially contested and evaded by departments decreasingly trustful of each other and their leaders.

Zooming in on savings

This intensifying search for savings manifested as an ever-closer focus on CIPs. While this meant greater focus on some savings, certain ways of reducing spending had long been excluded from a CIP's definition. When Aloe staff reduced the cost of a planned Garrrya expenditure, this could avert the same amount of spending as a CIP while technically counting instead as a 'cost avoidance'. With Aloe's focus increasingly on CIPs, these ways of avoiding spending received little emphasis. They thus did not benefit from the authorising effects of the CIP infrastructure, which so effectively **constructed possibilities** of savings (see p.163). They received considerably less focus despite also saving money.

Simultaneously, as urgency intensified, and trust declined, appetite for complex, longer-term savings diminished. The 'clinical time' savings Aloe had long sought were always going to be challenging. They could require complex service change for comparatively moderate financial reward. Nevertheless, some managers had developed a proposal for such savings. At a savings

monitoring meeting, they described this approach as ‘transformational’. However, the savings offered were not deemed sufficiently quick and uncomplicated to be CIPs. Instead, a manager decided they should be sent to Aloe’s project management function for prioritisation against other potential initiatives. The initiative’s proponents’ response to this did not suggest they thought it likely this would allow their project to progress. Under significant uncertainty, CIPs’ functional definition came to entail quick, certain savings.

Instead of these more ambitious efforts, Aloe attempted to improve its finances by better describing the financial benefits their standard service brought Garrya. Alongside proposing the ‘on-call service’ described above, they sent letters to staff in clinical areas, asking them to quantify the clinical time their day-to-day work saved. Instead of a specific project to save additional clinical time, Aloe sought to capture and concretise savings its service model made anyway. Such efforts to **constructing possibilities** became the increasing focus, even where the supposed savings had already been made.

Increasing focus on savings meant more vigorous work **constructing possibilities**. This occurred against a background of growing internal strife. Senior managers governed activity more strictly, and junior colleagues sought to avert negative judgements. Rather than seeking ambitious longer-term programmes, the savings becoming dominant in Aloe were direct and comparatively simple. Aloe’s future continued to feel uncertain.

Interpreting the case

Aloe experienced exceptionally difficult circumstances. While it rapidly set up a new infrastructure for a spin-out organisation, it was expected to make exceptional savings as a subsidiary to a jeopardised organisation. Merely surviving in such circumstances was striking. Yet problems developed over the period: facing substantial internal and external acrimony, coordination became increasingly difficult; realising the savings demanded proved challenging; while ambitions like ‘releasing clinical time’ were apparently side-lined. This section accounts for these developments by analysing the practices observed.

Reshaping engagements: creating a ‘commercial’ organisation

Aloe was created in haste by an organisation under immense financial pressure seeking to make ends meet. Whatever this move’s financial consequences, it disrupted existing ways of working. Collegial relationships were to be replaced by commercial ones, old processes jettisoned. Given Garrya’s financial pressure, all this happened rapidly. The result was the need to continually refine Aloe’s structures as circumstances changed and to replace interim processes borrowed from Garrya. This precipitated confusion, with staff sometimes unsure

which process to follow. They disagreed about how to make decisions: whether through the 'new structure' or established practice. **Reshaping** Aloe so quickly may have mitigated financial problems, but perpetuated uncertainty.

Most strikingly, it became considerably less clear how Aloe and Garrya would collaborate. Aloe managers reported differing expectations about their relationship; and the boundary between their relative responsibilities became contested. Aloe's hierarchy increasingly demanded that changes in provision be signed off by senior managers. This was intended to prevent Aloe inadvertently doing unremunerated work. Yet it seemed to play into the distance between Aloe and Garrya's rank-and-file: interorganisational coordination was increasingly to be restricted to senior management. Increased opposition and distance between the organisations made harder dealing with non-routine problems, like the need to choose which suppliers' credits to pay.

Attaining tenuous futures: 'what keeps us alive'

Thus the uncertainty Aloe faced was more than purely financial. Nevertheless, Aloe faced significant financial jeopardy. While probably safe from liquidation, Aloe's dependence on Garrya and difficulty paying its debts presented genuine risks to its autonomy and longer-term viability. Senior managers knew they needed Garrya's ongoing financial support, and Aloe's savings were high among Garrya's priorities. But it was not only to senior staff that Aloe's financial problems were manifest. When suppliers placed Aloe 'on hold', staff across departments found their work significantly disrupted. The sense that Aloe was on the financial brink felt part of working life.

The introduction of CIP Plus targets played into financial and relational uncertainty. With rising financial obligations and apparently fissile financial targets, financial uncertainty was significant. The responsibilities associated with their relationship with Garrya also seemed subject to change. This increased uncertainty left Aloe seeming much less sure of itself and its future. It was in this context that the most overt language of existential threat was deployed, often when exhorting others to take savings seriously. It also precipitated new departmental targets, which were themselves resisted, worsening internal relationships and trust. As targets were changed and crisis rhetoric grew, Aloe's relationships and future felt decreasingly certain. As Figure 9.1 illustrates in stylised fashion, this period saw a rapid increase in the sense of instability and insecurity within Aloe.

Aloe - attitude and key events

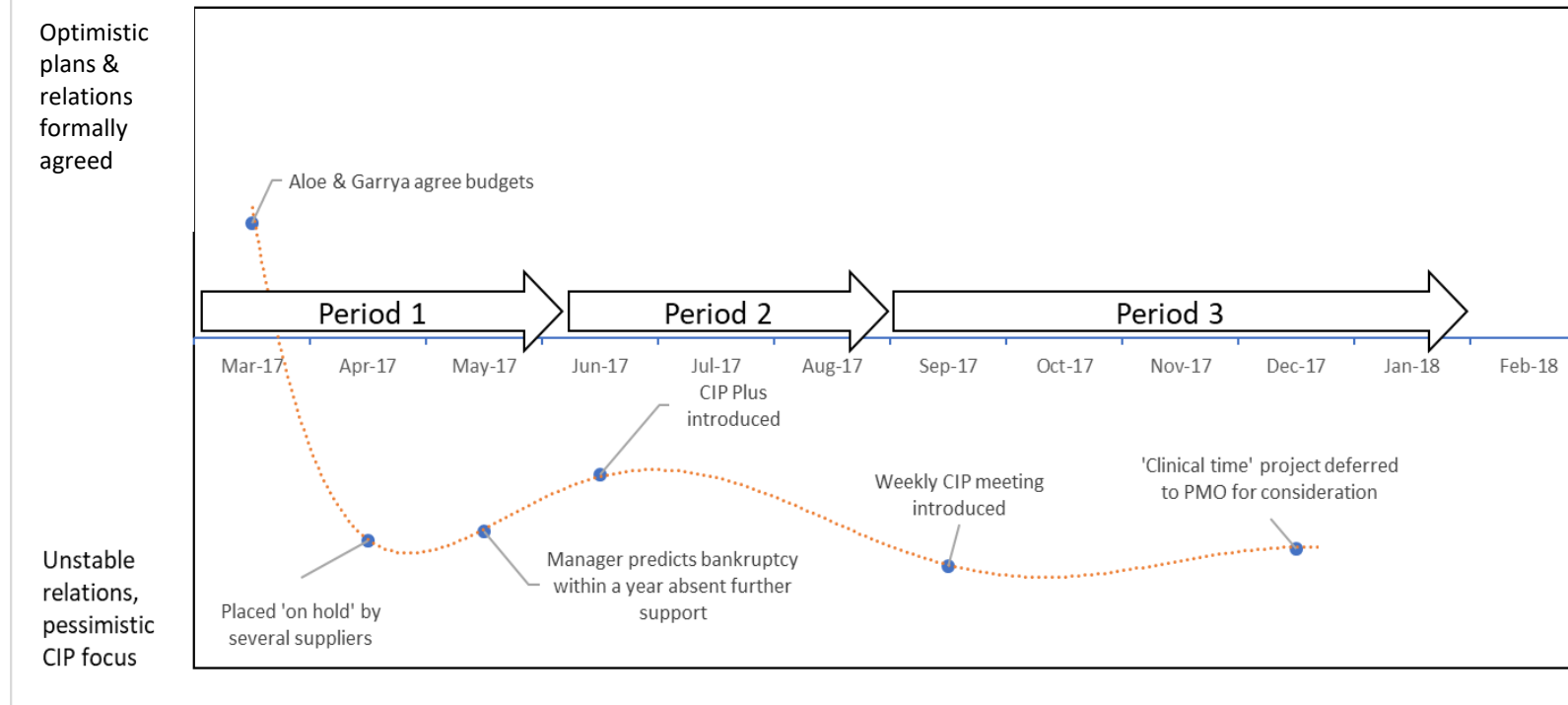


Figure 9.1 – Key events in Aloe³

³ Detailed data gathered up to December

Constructing possibility: making savings 'real'

Throughout fieldwork, Aloe had faced atypically strong imperatives to prove it was making promised savings. While people often wish to demonstrate to superiors how well they have done making savings, Aloe's situation was unusual in that its financial benefit for certain savings relied on proving it had made them. This necessitated extensive discursive and measurement work to create such 'demonstrable' savings.

In part, this probably helped savings efforts: emphasising clearly measuring spending around an intervention could minimise the 'management game' managers feared. However, it also represented a significant expenditure of time. It also relatively deprioritised expenditure avoidances not fitting the CIP's standard definition.

As Aloe's financial position deteriorated and their uncertainty grew, they focused more on CIPs, and prioritised the most certain available savings. Even initially prioritised but slightly more aspirational schemes, like 'clinical time' savings, fell from favour. Where clinical time was addressed, it was by attempting to *document* that Aloe's existing activity was saving time. Here, the need to construct demonstrable savings seemed to distract from materially reducing costs. Aloe found it difficult to not only make but also prove the volume of savings requested.

Conducting and contesting financial tests

With savings difficult to obtain, staff at both organisational and departmental levels worked to avoid responsibility for more of them than necessary. Managers sometimes disputed the reasonableness or feasibility of assigned targets, prompting senior colleagues to defend or enforce them. Other times, those facing savings demands would be cautious in their communication to avoid further obligations, or to achieve existing ones at the expense of others. Such strategic avoidance of obligations was unsurprising given the scale of controversial, difficult, financial targets. Yet it seemed to diminish trust, encouraging more aggressive enforcement of such targets. As the assignment and measurement of financial responsibilities became contested, it became more fractious.

From the start, a key way in which senior management avoided potential costs was drawing clear and narrowing boundaries around Aloe and its responsibilities. They suggested stopping longstanding activities whose 'business case[s]' no longer 'stack[ed] up'; and scrutinised changes for implied costs. This caused controversy between senior managers, who saw Aloe as a freestanding private organisation; and some junior staff, who felt part of Garrya. This further problematised coordination: even where staff agreed about what was desirable, they differed about Aloe's responsibilities in pursuing it.

Reconfiguring quality: 'not our problem'

These coordinative difficulties were amplified because some of these questions were morally charged. Contesting the boundary between their and Garrya's responsibilities meant negotiating the extent of Aloe's moral implication in clinical activity. Initially, senior staff appeared to have a clear view: their responsibility was to fulfil their contract. The language of contractual responsibility was repeatedly deployed to suggest that their moral duties were similarly bounded. Their gestures towards a broader sense of doing the right thing appeared primarily directed towards persuading junior colleagues. Yet I became increasingly aware of senior managers' own moral struggles. Some seemed torn between their perceived organisational role and feelings of responsibility towards patients.

What compromise there was between these points of view became decreasingly tenable. With changes in Garrya directly affecting Aloe's budget, and examples of Aloe activity with direct clinical consequences in Garrya, staff found it harder to distance themselves from their sole client's clinical work. Simultaneously, it appeared to become harder for senior staff to afford such qualms. Coordinative difficulties and acrimony thus grew. Staff increasingly seemed to disagree about Aloe's purpose.

Conclusion and theoretical reflections

Instability and dispute

Aloe's case shows an organisation in flux. Rapidly created and attempting to distance itself from its origins as a Garrya department, it found relationships and decision-making under increasing strain. There were strong and recurrent disagreements about whether staffing allocations should be based on the 'new structure' or pre-existing conventions. With each change, new priority or process a potential site of dispute or confusion, Aloe's staff sometimes lacked clarity on what they should do; or disputed senior managerial preferences.

While the austerity management literature does foresee disagreement, 'resistance' and acrimony where cutbacks disadvantage staff (Levine, 1978; Schmidt et al., 2017), it struggles to explain Aloe's dynamics. Not solely related to directly disadvantaged staff, these extended to more basic uncertainties about how business would be done. **Reshaping** Aloe disrupted existing routines and resource allocations. This was reinforced when Garrya's increased savings expectations became clear, prompting a cycle of **conducting and contesting financial tests** that destabilised all such financial evaluations. That renegotiating their responsibilities in line with their new 'commercial' ethos precipitated **reconfiguring quality** left Aloe torn between

different accounts of its responsibility towards Garrya's patients. Accounts of staff protecting themselves and their departments explain little of this.

We should instead remember Thévenot's (2001a) observation that organisations represent compromises between contradictory *goods*. Such *goods* and *compromises* therebetween help coordination by suggesting what to prioritise and how to act in given situations. These *compromises* are stabilised by measurement objects designed to measure the *goods* involved; and structures through which people interact in pursuit thereof (Thévenot, 1984). Aloe's rapid structural and normative change made it difficult for these *goods*, measurement objects and structures to survive or adapt. The new 'commercial' principles and structure were unfamiliar and frequently changed with changing circumstances or to achieve independence with Garrya. They were hard to *invest* in.

That these divisions did not cause greater problems seemed down to their repeated discussion. Senior managers could sometimes advocate their preferred strategies according to junior colleagues' values. Other times, junior staff persuasively advocated their positions, convincing senior managers to grant their requests. Some such agreements were temporary; but accepting these temporary staging-posts rather than pushing for permanent decisions helped preserve delicate agreements. While I heard of less conciliatory interactions later, these early approaches preserved coordination for a time.

From an austerity management perspective, this story seems esoteric – more about structural than financial change. Yet nothing suggests such structural change is rare in contemporary austerity. It seems likely austere organisations commonly create new structures, whether whole organisations, or individual 'savings programmes' (see Audit Commission and Monitor, 2012). The NHS incentivises the former (see p.162). Both seem likely to face Aloe's challenge of rapidly establishing robust structures, accepted *goods* and invested measurement devices.

Urgency and strategy

Creating Aloe would be classified as an instance of 'strategic' savings: 'targeted' savings based around major change. Levine (1985) welcomes this approach to savings under many circumstances because it represents a long-term, forward-looking approach. Yet this presents such major steps as the leisurely products of sober reflection. These data cannot support detailed investigation of how Garrya decided to create Aloe. Yet the haste of Aloe's formation and early existence is clear. Characterising such savings as 'strategic' is misleading if we imagine 'strategy' to concern long-term, progressive developments.

Instead, the case of Aloe highlights the radical shortening of time-horizons austerity precipitates. Not only at its creation, but as savings targets tightened, Aloe was acutely aware of its short-term objectives. The narrative of existential threat senior managers promulgated was both product and cause of this perspective. Time was frequently discussed at Aloe, particularly when early savings efforts failed and targets rose. Aloe increasingly focused on immediate survival. It was thus that it initially adopted interim management arrangements; that in-year savings grew in priority; and that aspirational goals took a back seat. This seems likely to be common in organisations under severe austerity. Yet the austerity management literature tells us little about time and urgency.

Thévenot highlights the different formations of time associated with different forms of engagement, and their corresponding *goods*. With increasing uncertainty about Aloe's future, it turned to *planning*, the *regime* associated with projecting oneself into the future. While planning can be used to construct long-term aims, real and discursive pressures had radically contracted Aloe's time-horizon. Accordingly, its plans tended to emphasise immediate preservation. This *planning* orientation also explains the shift in emphasis from *justifying* to imposing targets. Increasingly, senior managers oriented not towards *justification* but *planning*; accordingly, simply stating 'that's your target' became sufficient: the goal was not *public justification*, but the successful fulfilment of an existentially charged *plan*.

Demonstrating savings

Aloe's need to demonstrate savings was uncommonly pronounced. Yet this need is not uncharacteristic of austere organisations. From an individual manager's perspective, the personal benefits of a given saving accrue only if its existence can be proven to superiors. As austerity tightens, senior managers are increasingly likely to demand such demonstration. The growing focus on demonstrable savings at Aloe represented not a misleading case, but a peculiarly observable one (Pettigrew, 1990, p.275). Aloe demonstrates constructing savings objects can preoccupy, enable and constrain austerity efforts.

Yet austerity management writing rarely interrogates the various savings objects devised under austerity. Instead, writers tend to focus on one object – the formal budget – and to treat it as evidence about finances, rather than as itself an influential part of an austerity management approach (e.g. Dunsire and Hood, 1989; Hastings, Bailey, Bramley, et al., 2015). Focusing only on Aloe's headline budget and not considering its CIPs would have masked key dynamics within its austerity management approach. Equally, taking its CIP data as

uncomplicated evidence about the fate of its austerity management approach, as opposed to itself part of that approach would mislead us.

Conceptualising such devices instead as *measurement objects* illuminates their influence. It is unsurprising that organisations facing austerity's growing uncertainty are liable to increasingly emphasise measurement. This precipitates the proliferation of increasingly prominent measurement objects. Thévenot (1984) notes that making such *objects* or *forms* meaningful involves *investment*: one must create the infrastructure and process of use that makes them meaningful. This is perhaps truer of CIPs than the standardised data Thévenot highlights, because each CIP must be individually demonstrated: each instance of the *form* requires independent *investment*.

This explains two peculiar features of Aloe's case. First, the instability and contestability of CIPs is in part down to their prominence as a financial form and the need to invest in each instance thereof. Because such forms have evaluative uses, there are always incentives for people to contest their validity or blur their definitions (c.f. Rubin, 1977). This is only facilitated by their incompletely *invested* state. Second, creating certain CIPs requires more labour than others. The less unusual its method of saving; and the less complex and contestable its outcomes, the more attractive it seems. Partly because of this, organisations like Aloe prefer savings based on reduced supply costs than those based around changes in processes. This tells us something not previously identified about the savings organisations might be likely to make: the more evidencable and standardised are probably preferred.

Concluding remarks

Aloe's case demonstrates the volatility of both organisational measurements and relationships within uncertain organisations. Pressure to make certain, visible savings seemed to make it harder to make savings at all. Creating a new body within an already turbulent austerity process was difficult and precipitated divisions within and between organisations. The growing instability in Aloe's relationships can be explained by these changes and the apparently unexpected increase in its savings obligations over the year. These problems highlight the importance of Aloe's placement of embedded staff within Garrya, and staff's ability to *compromise* over issues on which they differed. These seem to explain why Aloe's problems did not worsen.

These cases cover organisations in different healthcare markets, of different sizes and facing different degrees of austerity pressure. Five practices – **attaining tenuous futures**, **constructing possibility**, **reconfiguring quality**, **conducting and contesting financial tests** and

reshaping engagements – characterised each of them, albeit in different ways. These case reports explain each organisation's development in terms of these practices' interplay. However, they only glancingly illuminate the relations and differences between the cases. Chapter 10 explores further these practices and their differences across cases.

Chapter 10: Austerity management across sites

Introduction

These sites had striking similarities. Each experienced significant uncertainty about their situations, worsened by attempts to reach the budgetary targets turbulent financial cycles demanded. Each built unstable savings objects to fill budgetary ‘gaps’, and reconceptualised their quality commitments. In each, traditional evaluative criteria and means of coordination struggled, prompting staff to work inventively to manage consequent uncertainties. Said differently, each involved **attaining tenuous futures, constructing possibility, reconfiguring quality, conducting and contesting financial tests** and **reshaping engagements**. These practices characterise austerity management.

Chapter 6 defined and exemplified these practices. This Chapter further details the practices, their variations and the wider temporal patterns of which they form part. This account describes increasing uncertainty – both financial and nonfinancial. Organisations grow unsure about their situations, values, evaluative standards and coordinative mechanisms. These practices’ relative importance varies across organisations, but each contrasting case features them all.

To aid interpretation of these similarities and differences, Table 10.1 re-articulates differences originally highlighted in Chapter 5 (Table 5.1, p.78). To them it adds two inter-organisational contrasts observed during fieldwork. First, organisations’ structures differed. Dryas and Thyme’s multidivisional forms both contrasted with Aloe’s relatively unitary structure. Of the two, Thyme accorded divisions greater autonomy.

Table 10.1 – Core features of sites

Site	Dryas	Thyme	Aloe
Market	Mental health	Acute health	Support services
Austerity pressures	Medium	Minor	Major
Size	Medium	Large	Small
Age	Old	Old	Young
Structure	Divisional (moderate delegation)	Divisional (strong delegation)	Unitary
Ethos	Emotionally engaged, interpersonal	Corporate, self-reliance	Conflicted: commercial vs traditional

Second, organisations' ethical outlooks differed. Aloe saw conflict between former NHS staff's traditional public sector values and the 'commercial' outlook managers pursued. Dryas had a more emotionally charged, interpersonal ethos. Senior managers expressed themselves in terms of individual patients, and incited staff to fulfil savings targets to avoid unfairly requiring colleagues to fill any resultant gap. Thyme's ethos was more corporate and individualistic. It prioritised quality as an organisational selling point while inciting divisions to save precisely because any gaps would remain their own. These contrasts inform the following analysis.

Five sections follow, each dedicated to one practice. These enable a conclusion which models these practices' relations and uses them to account for cases' similarities and differences.

Attaining tenuous futures

Chapter 6 defined **attaining** as organisational efforts to construct and reach jeopardised financial futures. Processual analysis revealed further dynamics related to **attaining** across sites. In each organisation, **attaining** was inflected by the financial year's rhythms. National pressures precipitated 'ambitious' planning, quickly followed by pessimism, centralisation and scrutiny as such discursive plans failed to become reality.

With financial requirements set nationally, cross-site similarities in **attaining** are unsurprising. Yet the level thereof – particularly between the hospitals – startled me. Both had normalised mid-year 'recovery'. Both arranged extraordinary meetings to recover finances mid-year. And both began these with similar attempts to contextualise themselves within extreme financial distress. This annual pattern was central to these sites' austerity management experiences.

'Removing prudence'

During planning, **attaining** meant stretching to meet required totals. In Dryas and Thyme, this meant complying with national 'control totals'. In Aloe, it meant offering the savings Garrya's own budgets presumed. Failure meant angering one's superiors and losing potential funding. Budgeting processes were required or strongly encouraged to produce predetermined answers. Evidencing this, Dryas's 'bridge' diagram (Figure 6.1, p.96) contains bars indicating not the savings found, but the amount 'required'. Efforts to fill these totals (bridging) drove organisations' financial cycles.

Such 'bridges' visualised this 'gap' between desired and required totals (see p.139). With filling these gaps using only concrete changes in practice challenging, organisations turned to a variety of presentational changes. So-called 'balance sheet' measures, like altering accounting practices or releasing reserves, could produce more favourable reported outcomes. However,

there were only so many presentational changes one could make. Balance sheet measures were themselves a scarce resource.

Their benefits were frequently non-recurrent: they accrued only in the year the change was made, not continually thereafter. So further savings would be necessary next year simply to prevent expiring one-off benefits looking like losses. Using balance sheet measures consumed a scarce resource and saved up problems for the future.

Accordingly, concrete savings were always eventually necessary. But this remained difficult. As Chapter 6 details, organisations unable to find enough such plans turned despite misgivings to 'savings' of dubious feasibility. Claims that further savings were unfeasible were unacceptable. As one Dryas manager said, 'if we accepted that – because everybody says that – we would be bankrupt'. Regulators advised NHS finance managers to 'remove prudence' from their 'handling of bad debts', creating increasingly optimistic predictions. Feasibility took a back seat so plans could meet required totals. So necessary was presenting a good financial face that 'unidentified CIPs' unassociated with even optimistic plans routinely populated budgets and CIP Trackers.

Over the year, 'ambitious' savings plans had to become realities. What was optimistic had to become realistic; the discursive must materialise. Given budgetary assumptions' optimism, this was frequently formidable. Occasionally, mid-year rebudgeting briefly inverted these trends, but they remained clear. By mid-year, plans had gaps, precipitating 'recovery' across sites. 'We're always in recovery by quarter 3, quarter 4...the whole of the NHS is always in recovery.' 'Recovery' meant increasing financial stringency and increasingly pessimistic evaluations of potential savings. These recovery cycles, accompanied by spikes in central intervention, became commonplace.

Sketch of attitudes and key events

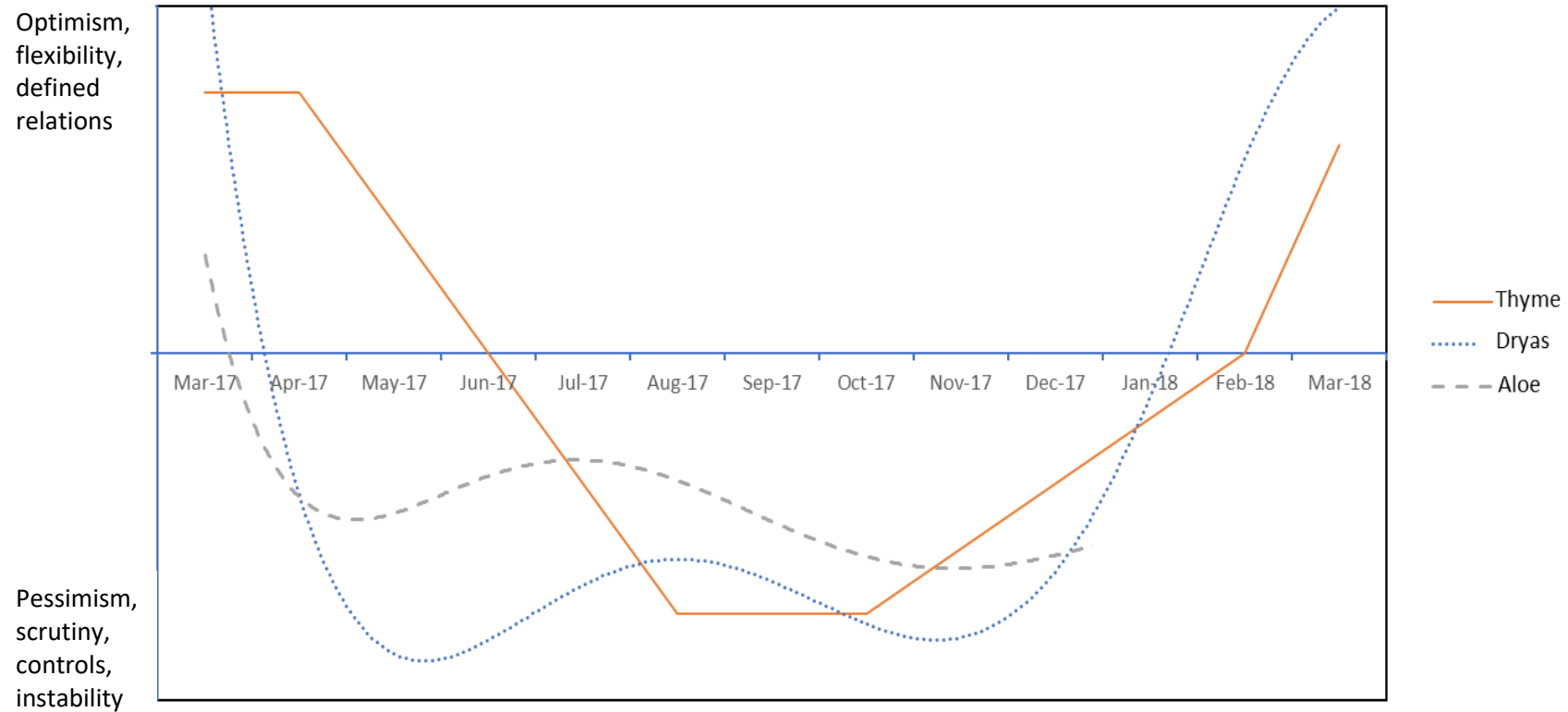


Figure 10.1 – Combined financial cycle changes

Figure 10.1 assembles the stylised representations of changes across financial cycles from Figure 7.3, Figure 8.1 and Figure 9.1. While the original diagrams highlighted different elements of these changes, each site saw optimistic plans turn to pessimism; flexibility to scrutiny and central control; and defined to unstable relations. While borrowing quantitative graphing's representational conventions, Figure 10.1 lacks graphs' numerical precision, so we should not rely on it to highlight fine-grained differences between sites. Instead, it emphasises the cases' broadly similar patterns. Figure 10.2 therefore abstracts Figure 10.1 into a generalised pattern.

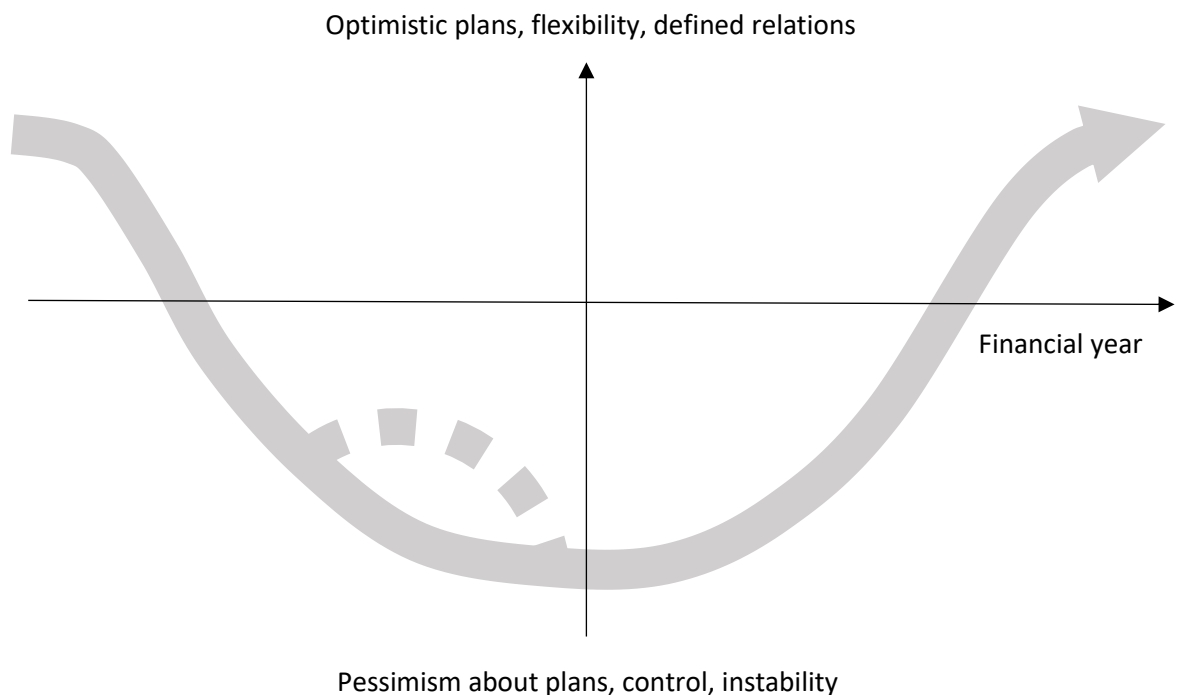


Figure 10.2 – Attitudinal and policy changes across financial year

This cycle of budgeting and recovery required rapid shifts in not only organisations' processes, but also their evaluative criteria for savings plans. Plans managers saw as feasible during planning may be reframed as risky by implementation. Things organisations originally intended to delegate were centralised and controlled as 'recovery' set in. These evaluative differences and financial cycles were mutually perpetuating.

Organisations found elements of their budgets so deviated from reality that they became useless. Consequently, Aloe and Dryas rebudgeted during the year. This created more useful plans, but made plans in general seem less reliable. Thyme retained its original plans but functionally amended them by releasing reserves. This avoided discrediting its planning

mechanism but left some divisions with plans so distant from reality as to become useless, as jokes about the impossibility of recovery demonstrated (p.152).

Initial plans' degradation and amendment became part of Figure 10.2's cycle. Plans were optimistically created until pessimism set in and they were deconstructed. Every year that they were amended became further evidence such cycles were inevitable.

Making crises

The regularity of these cycles was itself notable. Yet what was striking was not only that each site's cycle was comparable, but that they were conducted so similarly. As plans grew insecure, both hospitals ran large, formal processes dedicated to generalised financial improvement alongside targeted divisional interventions. Thyme's detailed annual planning process complemented this. Both Dryas's Senior Scrutiny and Thyme's planning were characterised by set-piece meetings between central staff and individual divisions. These meetings had strikingly similar genres. Both began with what one Thyme manager called their 'speech': attempts to contextualise the meetings within significant financial jeopardy heretofore limited by 'heroic' savings.

The financial cycle encouraged these narratives of threat and heroism. Staff were used to growing mid-year pessimism, but also to organisations pulling through. Often, this was because organisations used accountancy devices or 'bailouts' to plug growing gaps. Senior managers identified that some staff therefore doubted that organisations' financial situations were severe.

This posed senior managers a problem: they needed to inspire to urgent action staff who believed things would turn out fine. Consequently, they attempted to situate staff within ever-more severe financial situations. This involved material work measuring, describing and visualising the 'gap', and discursively placing organisations within landscapes of financial desperation. This was the constructing and managing financial crises which Chapter 6 describes.

These efforts were often purposive and planned, as the 'speech[es]' described above exemplify. One Dryas manager introduced a Senior Scrutiny meeting by announcing they would give the introduction they had 'given everybody'. A Thyme counterpart at a late annual planning meeting worried they might forget parts because they had 'not done it for a bit'. Constructing and managing was often purposive and deliberate.

Such efforts often took on an existential tone. Language questioning whether the following year would be 'do-able' or 'undeliverable' proliferated. While organisations' future financial fortunes are inevitably uncertain, this conditional language cast the future itself as in doubt. This accompanied a wider existential threat discourse, which emphasised language of violence and disaster. At Aloe, it was vital everyone made savings because 'this is what keeps us alive'. One manager warned that if Dryas did not 'get to grips' with 'hard decisions...next year [becomes] very difficult if not impossible'. The future itself was threatened.

This similarity was more striking because organisations' actual financial situations differed. Aloe managers were hyperbolic in describing savings as 'what keeps us alive', but Aloe was approaching the financial edge. But Thyme was considerably wealthier: its appeals to financial peril were harder to take literally. Organisations constructed similar financial crises in quite different financial contexts.

They achieved this by drawing different boundaries around the situations they described. Managers described a crisis associated with Aloe's immediate survival. Dryas was slightly better off; there managers still emphasised urgency but appealed less to Dryas's immediate destruction. They generally focused on their own, medium-term financial risks, and nodded towards worse-off local organisations. The threats they invoked were of regulatory intervention limiting their autonomy. They positioned Aloe in a local system and characterised more medium-term threats.

Positioning Thyme as in crisis meant widening the lens again. Managers focused on national austerity. Invoking national news about another hospital's recent entry into special measures, one warned that the 'point is if we did find ourselves in the [hospital] situation, and the turnaround team [from NSHI] came in, how easy would they find it to [make savings]? We want to be the ones [doing it]'. Another highlighted the comparatively plentiful Thyme resources they 'keep hearing' about from staff used to other organisations. Each time, the implication was that, in an austere landscape, Thyme should follow austere norms by mimicking the approaches of others: whether other hospitals or 'turnaround team[s]'. To contextualise within austerity an organisation whose staff considered it financially stable, Thyme managers appealed to a wider sectoral austerity.

Such efforts met resistance from staff doubting financial imperatives were as strong as claimed. Particularly in organisations used to large financial bailouts, dissuading staff that bailouts would save them this year was hard. 'There was always the – these sort of, you know, everything looked gloom and doom and then, you know, extra stuff came in towards the end

of the financial year and we were all right'. This interviewee's language of cyclicity ('always') and vagueness ('extra stuff') exemplifies the sense of intangible inevitability years of bailouts precipitated. Budgeting went from mathematical exercise to opaque cycle in which only the outcome was certain. As one manager observed, there was a sense of having 'cr[ie]d wolf'. With this resistance preventing consensus over the situation, senior managers continued striving to emphasise its severity.

Cycles and crisis

All organisations drew on **attaining** similarly, adjusting their approaches over the year. In each, ambitious plans failed to become realities. Yet organisations handled this differently. Matching its autonomous divisional structure, Thyme maintained its basic budgetary plan, thus 'containing' problems within overspending divisions. This avoided a precedent that budgets change mid-year but meant some divisional plans lost credibility. Dryas and Aloe, conversely, revised their budgets mid-year. Reallocating savings responsibilities may have helped planning, but ensuring budgets remained meaningful became difficult: some Dryas divisions never accepted their new targets as equally important to their initial ones. How organisations navigated **attaining's** financial cycle seemed key to their outcomes.

Whatever their budgeting approach, central management needed to persuade staff to save. This was only more important in organisations with Thyme's delegated structure, hence **attaining's** greater prominence. Yet it was also harder in organisations with Thyme's long experience of financial stability. Increasingly, staff trusted the seasonal pattern of jeopardy and resolution more than the 'smoke and mirrors' of budgeting and financial projections. Accordingly, managers developed a financial crisis narrative, which staff predictions of ongoing stability resisted. This left the situation increasingly disputed, often in high-flown language of desperation and heroism. **Attaining** left organisations whose sense of their situation was uncertain and temporally unstable.

Constructing possibility

Organisations needed to believe **attaining's** optimistic plans could be fulfilled. Chapter 6 observes their attempts to fill these plans through **constructing possibility**. This section explores the roles these practices played in each organisation's development.

Forming savings

Organisations seeking to fill their 'bridges' sought savings objects to plug the gap. 'Bridge' diagrams' physical metaphor and the desire for something reliable led them to fill these gaps with concrete 'things'. Packaging savings objects – constructing hypothetical savings ideas as

material objects – was the most prominent way organisations **constructed possibility**.

Packaging was prominent across all organisations. Unsurprisingly, it was most evident in Dryas, which spent extensive effort monitoring individual savings plans. As Chapter 6 describes (p.97), this involved extensive discursive work to construct such objects (see also Chapter 11 on the national case). However, this should not underplay the material work involved. Maintaining CIP Trackers and savings infrastructures helped construct savings schemes as tangible budgetary objects.

These cases highlight the implications of constructing savings objects. Reifying savings made them manageable. They could be treated as budgetary entities, moved around, included and excluded. ‘CIPs’ could be separated from the general flow of finances, enabling them to be highlighted, interrogated and amended. Taking them as existing objects subject to ‘realisation’ rather than mere possibilities enabled central managers to make decisions free of the uncertainty so many hypotheticals would otherwise imply. Constructing possibilities as concrete objects made them manageable.

Simultaneously, reifying savings unhelpfully simplified them. Manufacturing a hypothetical saving into a ‘CIP’ required work (see p.163). Savings which were not only easier to make but simpler to demonstrate became more valuable, apparently influencing the savings made. With CIPs constructed as objects located ‘in’ one department or another, managers displayed reticence about savings garnered near interdepartmental boundaries. They could cause disputes about who ‘got’ the associated CIP. Conceptualised differently – say, as plans with many contributors – it might make sense to ‘share’ a CIP two departments contributed to. But constructed as an object, a CIP is either ‘in’ your domain or not. Disputes about savings ownership are not inevitable but promoted by how savings are conceptualised.

Most importantly, reifying CIPs made them appear easier to invent and achieve. As pre-existing objects, they merely had to be ‘identified’ and ‘realised’. This contributed to the financial cycles described above. It was easier to be optimistic about concretised CIPs reported as aggregated figures than it might have been about hypothetical savings described with all their uncertainties. This contributed to the early optimism and – when those CIPs failed – later pessimism and panic (see p.116).

Particularly outside Dryas, other practices complemented packaging. Organisations drew on constructing the good organisation: deploying transformational discourses to represent organisations as capable of radical change. This was iterated differently across sites. Within Transforming Thyme, it was used in an aspirational manner which contrasted significantly with

the short-termism of packaging. At Aloe, it frequently referred to Aloe's literal creation and unfinished state, latterly adopting a negative tone. Either way, constructing presented an alternative image of the future: rather than simply filling 'bridges', it recast organisations as subject to transformation. Whereas bridges and CIPs assumed an organisation's broad financial parameters were fixed, constructing suggested it could be a different organisation altogether.

Problematifying savings

All sites saw such savings objects resisted. Not only were they resisted by the world – as when they could not be made into real savings – but also by those who doubted their reality. Tensions were marked in organisations where both packaging and constructing the good organisation were important. Without necessarily contradicting one another, they implied different aspirations for the future and different allocations of scarce resources.

Transforming Thyme exemplifies this (see pp.149-151). Some working there felt more direct CIP-savings programmes regrettably short-termist. However, operational staff increasingly saw the programme as not engaging with the realities of the day. At one project meeting with operational managers present, participants discussed the programme's future structure:

A senior operational manager recalled a 'lively' discussion at a recent meeting of another workstream. It had been suggested they might convene a panel of senior clinicians to lead across the programme. One could bring anything there; the manager listed some things. Within this list, they said 'Not [developmental Transforming Thyme workstream]; [they'll] take up the whole thing...Transforming Thyme could come along and – talk'. (Fieldnotes paraphrase)

This meeting occurred at a time when Transforming Thyme's status was becoming less clear. The manager says, after a pause, that the programme staff could merely 'talk', and warns that one of their more developmental workstreams would 'take up the whole [meeting]' with their words. Here, the programme's supposed 'transformation' is cast as mere words, not the concrete savings others might offer. Transforming Thyme's **possibilities** of a good organisation are presented as far from real. As Transforming Thyme's eventual fate illustrates, this tension between packaging and constructing the good organisation could be vital to organisations' development.

Where not deconstructing one another's differing visions of future savings, these practices still faced resistance. Juxtaposing savings objects with familiarity was common across sites. Often

interacting with other subpractices of **constructing possibilities**, juxtaposing was defined by ironically comparing savings objects associated with *planning* with more *familiar* realities. One Dryas interviewee observed that ‘when I talk about the finance...it seems to pervade all but actually that’s not our business...our business is the – the people that walk into our resource centres who need looking after’. To this interviewee, even their own description of savings objects seemed to miss the point: the point was ‘people’ needing ‘looking after’.

Such critiques were mobilised on a higher level to rebuff broader narratives of possible savings.

We’re getting to a stage where we expect – we’re building our financial models and our budgets based on teams being able to run a perfect game every single day of the year, which just isn’t realistic. Like sometimes I get out of bed and I feel I’m productive and sometimes I’m less productive. Humans are not robots; and stuff happens, stuff goes wrong, people, you know you have snow [points upwards] and people can’t get into work and you could say, ‘We’re not – we’re going to plan that there will never be snow for, that no one will ever pregnant or that there will never be any sickness’.

This interviewee criticised *planning* objects like ‘models’ and ‘budgets’ as inadequately accounting for the esoteric variations inherent to people. By invoking the domestic environment (‘sometimes I get out of bed’), they encouraged an understanding of people as situated humans with personal lives, not units of labour on a spreadsheet. Rather than being a calculation, even ‘productiv[ity]’ is reframed as a ‘feel[ing]’, something dependent on personal not organisational drivers. Indexical language (‘stuff goes wrong’) operates at a level of vagueness which eludes extremes of planning. ‘Stuff’ cannot be pinned down enough to be rationalised; rather a generalised latitude for the unusual, esoteric and human is necessary. Generalised *planning* is cast as excluding *familiar* realities.

The resistance packaging and constructing the good organisation faced from juxtaposing and one another affected organisations’ development. Clashes between multiple visions of potential futures could make it difficult for the programmes they embodied to survive intact. Meanwhile, appeals to the familiar could successfully destabilise hypothetical savings. Managers that avoided additional savings responsibilities during Dryas’s Senior Scrutiny often invoked their division’s esoteric circumstances (p.120). **Constructing possibility** helped organisations believe in a viable financial future; but at the expense of disputes and unstable beliefs about what was possible.

Reconfiguring quality

The potential savings thereby constructed made some anxious about possible negative consequences for healthcare quality. This concern promoted **reconfiguring quality** across organisational sites. This practice reshaped the meaning of healthcare quality to reconcile it with potential cost reductions.

Quality across sites

All organisations extensively **reconfigured quality**, albeit differently. Dryas significantly emphasised blurring quality and cost: representing financial savings as aligned with – even indistinguishable from – quality improvements. One manager described the relation between quality and cost thus:

The processes are quality, which means that the product at the end is a quality product but it also means that – once your processes are quality, then quality is free and mistakes cost money. So failures – not getting it right first time; it needs rework; it needs constant massaging and a system to make it work and things like that. So, in the NHS, there's almost this thing that quality costs money...quality isn't a gold bar versus a lead bar; it's what you need when you need it, first time every time. (Interview, Dryas)

Quality and cost are here aligned as joint outcomes of 'quality' 'processes'. Conversely, 'failures', 'not getting it right first time', and 'rework' are affiliated with one another. Quality and cost impacts are listed together as joint consequences of a third value, process efficacy. In linguistic terms, their 'meaning relations' are configured to frame them as *co-hyponyms*, or joint instances of a wider set. In this instance, both are consequences of good processes. Conversely, 'quality' is represented as an 'antonym' – opposite – of 'mistakes'. Conceptualised as the absence of costly process errors, seeing quality as 'free' makes sense. In this context, quality and cost are blurred as joint consequences of process efficacy.

Blurring suited Dryas's emotionally engaged attitude to quality: it was generally unacceptable to staff, including top management, not to actively prioritise quality. If quality improvements could be construed as aligned with financial savings, pursuing such savings accorded with Dryas's values.

Thyme initially also emphasised blurring. Yet blurring's optimism soon seemed misplaced (p.146): marrying quality and cost no longer seemed possible. An alternative practice became prominent: satisficing and instrumentalising quality. This involved casting quality not as a goal, but a necessary minimum. Linguistically, it often involved 'contrastive' meaning relations,

those casting things as opposed. One Aloe manager observed that ‘it’s been drilled into me since I started you know, cost improvements, looking at opportunities to save money but without impacting the service delivery’. Here ‘impacting the service delivery’ potentially conflicts with ‘cost improvements’. The narrative is not that both quality and cost will improve, but that, with due caution, costs can fall without quality following suit.

Satisficing grew especially prominent at Thyme when claims that quality and cost could be simultaneously improved lost credibility. However, it became popular across sites, with ‘safety’ (harm avoidance) increasingly quality advocates’ focus. At Thyme, satisficing quality seemed – temporarily – a more plausible alternative to blurring.

Yet soon even these quality minima seemed under strain (p.151). With neither satisficing nor blurring persuasive, Thyme managers increasingly deployed de-valuation, the denial of a question’s moral nature. This was exemplified by one manager’s observation that ‘[we’re] all trying to stick within a budget...right or wrong [is a different question]’. The normative language of ‘right or wrong’ is explicitly side-lined: budgets are facts of life, not choices to be morally evaluated.

De-valuation was also achieved by replacing the language of moral concern with that of preference. In Thyme and Dryas, requested savings were latterly described as ‘unpalatable’, a term used nationally to euphemise quality or access reduction (pp.127; 152). Whereas such concerns might be considered in terms of whether they are right or wrong, this language recasts them on a spectrum from pleasant to distasteful: an ethical question becomes an aesthetic one. Where moral decisions became exceptionally difficult, de-valuation became a means of escape.

De-valuation thus made sense when Thyme found it ever harder to save without quality consequences. It was also prominent within Aloe, where managers often characterised requests for resources in terms of complainants’ dearth of understanding, not the presence of a substantive need: there was no ‘magic money tree’. De-valuation appealed to a senior hierarchy keen to emphasise Aloe’s ‘commercial’ nature and separation from Garrya’s troubles.

Quality across time

The previous subsection notes how the balance of **reconfiguring quality**’s subpractices shifted in Thyme over time: initial blurring became satisficing, then de-valuation, each responding to resistance to its predecessor. Thyme was not alone in such transformations. Dryas followed a

comparable path. As described, its practice was dominated by blurring, which stayed important throughout. However, as Dryas entered Senior Scrutiny and sought additional savings, it became less possible to select those with the most positive quality implications: satisficing became more plausible. Yet it soon emerged that existing mechanisms of satisficing – like QIAs – were functioning poorly, and further savings may be needed: de-valuation too became prominent.

Conversely, de-valuation was prominent in Aloe throughout, driven by a desire for separation from Garrrya’s moral complexity. As this seemed decreasingly possible (p.172), managers addressed these dilemmas more directly. Satisficing grew in prominence as managers began to address them, emphasising the quality minima Aloe should ensure. Figure 10.3 illustrates these patterns.

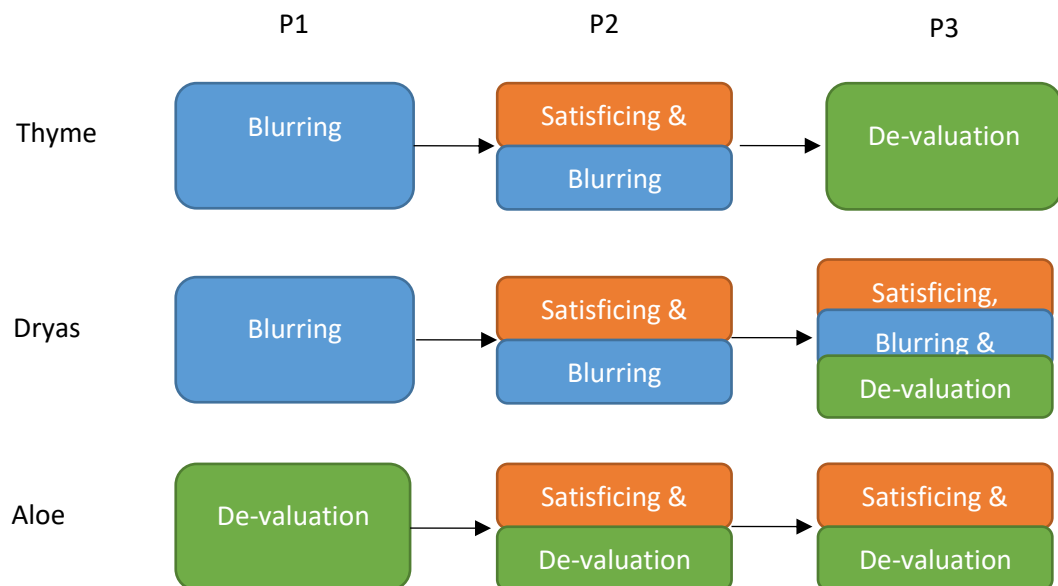


Figure 10.3 – **Reconfiguring quality** across periods. N.b. periods were defined within each case.

This highlights two features of **reconfiguring quality** Chapter 6 omits. First, conceptions of quality were generally unstable within sites. While Aloe’s above look deceptively stable, this masks the fact that Aloe’s rank-and-file generally differed from its senior hierarchy about their quality responsibilities. Across sites, conceptions of quality changed across periods observed. Second, while these change processes differed depending on organisations’ choices, circumstances and ingoing ethos (p.185), they generally moved away from blurring towards de-valuation, often combined with satisficing. As financial pressure bites, moral disputes

associated with quality-cost balances seem progressively harder to engage with and tempting to evade.

Reconfiguring quality reconciles with prevailing quality *compromises* some of the changes **constructing possibility** suggests. Yet this comes at the expense of altering those compromises' meanings. Organisations thus find themselves with ever-shifting quality bargains. Collectively, organisations tend towards a thinner conception of quality more based around harm avoidance ('safety') than maximising benefit.

Conducting and contesting financial tests

The above practices configured the situations, objects and value formations financial evaluations mobilised. Yet this does not suggest that those tests could be carried out undisputed. Across sites, **conducting and contesting financial tests** captured attempts to evaluate people or things on financial grounds and to avert such evaluation. These tests and contests proved vital to organisations' development.

Tests and transformation

Examining these mechanisms alongside the processes observed above highlights their importance to organisations' development. Where attempts to question an evaluative approach succeeded, this could precipitate profound organisational change. At Dryas, CIPs were frequently critiqued or disputed precisely because of their organisational importance. This precipitated a series of small changes in their management. As these proliferated, and CIPs seemed less stable tests, larger changes resulted. The Projects Office began reporting financial bottom lines alongside CIPs which became supplemented by Senior Scrutiny actions. CIPs progressively seemed less robust and all-encompassing than before, no longer a 'magic bullet' for financial improvement. Dryas eventually eschewed such managerialist savings, preferring fewer, more strategic priorities.

Thyme began with such a strategic approach. Transforming Thyme entailed the type of longer-term cross-cutting priorities Dryas determined to develop. However, as financial pressure grew, Thyme became keener for short-term financial savings, which Transforming Thyme struggled to evidence. It approached the world through a longer-term, more developmental paradigm; nor did it robustly collect short-term financial benefit data. Just as Dryas's CIPs inadequately grasped the turbulent world it faced, so Transforming Thyme could not grasp the landscape of short-term financial imperatives senior managers now apprehended. This eventually precipitated the significant restructure towards the managerialist PMO model the

programme once eschewed. Thyme moved *away* from strategic, towards managerialist savings.

Comparing **conducting and contesting financial tests** across these sites emphasises that we are not dealing here with a natural progression from managerialist to strategic savings (Hood and Wright, 1981; Kelly, 1989; Levine, 1979, 1985; Pollitt, 2010). Rather, austerity makes it exceptionally difficult for any single financial measurement regime to adequately capture its complexity. This leaves such regimes open to critique, prompting destabilising adjustments. Shifts in the ‘types of savings’ sought are often better understood as shifts in predominant measurement regimes. Instability among these appears likely, as austerity’s turbulent demands are exceptionally difficult for any regime to wholly grasp.

Shaping contests

Chapter 6 described the subpractices of **conducting and contesting financial tests**. Configuring tested actors negotiated roles within an evaluation, particularly identifying and disputing the actor to be tested: is this a departmental issue, or an organisational one? Differentiating the tested applied criteria or measures to such actors to determine their worth, prompting disputes about those criteria themselves. As senior actors grew tired of such critiques, enforcing and averting tests involved their authoritatively imposing *tests* regardless others’ opinions; in response others might withhold information or other material facilitating such *tests*. Finally, asserting and contesting test centrality described disputing tests’ importance itself: something might be accurately evaluated, but was it central? Each engagement emphasises and contests a different element of these *tests*.

In different sites, different elements were most vigorously contested. Dryas, in attempting to amend its financial management system to adequately capture austerity’s complexity used differentiating the tested particularly intensively. It created a plurality of new evaluative forms, whose novelty left them vulnerable to contestation. When this contestation came, managers often responded by altering those forms, perpetuating the critique differentiating the tested involves. Continually altering evaluative forms made them less stable.

Perhaps attempting to avoid such destabilisation, Thyme instead refused to alter its approach during the budgetary process. Instead, it simply asked its divisions for their predicted savings until more favourable answers emerged. The test remained consistent but was repeated. While this helped it become established, its repetition questioned whether any one iteration thereof really mattered. Extensive asserting and contesting test centrality occurred. Thyme avoided one type of instability at the expense of another.

Meanwhile, Aloe's novelty made well established evaluative forms scarce, while its significant savings targets changed. This made justifying targets tricky, eventually leaving managers simply asserting and enforcing tests not otherwise accepted. Asserting and evading tests was more important at Aloe than elsewhere (p.170). They thus sidestepped the need for consensus about their evaluative frames' propriety, but at the expense of increasing internal mistrust and reduced flows of information. Organisations appeared able to influence the type of resistance their evaluative approaches faced; but resistance itself seemed perennial.

These practices substantially overlapped and interrelated. When *critique* destabilised a *test*, organisations often responded by altering it, opening new avenues for criticism. Successful *critiques* of a means of differentiating the tested sometimes left managers enforcing the test they could no longer easily justify. More generally, tweaking tests often made them feel less stable and established, making all resistance more viable. No matter where an organisation's greatest disputes lay, **conducting and contesting financial tests'** four subpractices were mutually reinforcing.

Reshaping engagements

Conducting and contesting financial tests destabilised the evaluative mechanisms underpinning coordination; while **reconfiguring quality** complicated those tests' underpinning values. Combined, this left staff operating in a profoundly uncertain context. As Chapter 6 details (p.104), **reshaping engagements** describes their efforts to coordinate despite the failure of traditional structures.

New structures

Organisations attempted to restore order in three ways (see Chapter 6). Some attempted to re-structure savings plans: to create new organisational units or fora to monitor and govern savings (or deconstruct older ones). This was particularly prominent in Dryas and Aloe. The former had created an obvious 'savings unit' in its Projects Office, which worked continually to establish itself. Aloe itself represented a new unit created as existing structures struggled. Seeking tax advantages and a new 'commercial' relationship between former departments, it forged a new organisation. This new organisation's commercial ethos was to fit Garrya's new situation. While restructuring was less prominent in Thyme, Transforming Thyme also exemplified responding to erstwhile governance systems' insufficiency with new units.

While these units doubtless did many things well, they were created in difficult circumstances. Novel and hurriedly assembled, they could augment the uncertainty they intended to dissipate. Such units' role boundaries often remained unclear. Dryas's Projects Office's remit

seemed to progressively broaden. Its governing logic was of generic capability in project management and a belief cost was intimately connected to other factors. With finance so organisationally prominent, its remit grew. This was partly desired (e.g. early gains in responsibility for quality work), but partly unsought (e.g. increasing responsibility for reporting the overall financial position). Conversely, Transforming Thyme struggled to articulate a clear identity for itself coherent with Thyme's strategic priorities, precipitating a curtailment of its autonomy. Savings units struggled to maintain clear boundaries. With austerity an increasingly central issue, units designed to address it risk becoming everything or nothing.

Aloe Managers described comparable uncertainties in their boundary with Garrya. Yet equally important were internal disputes over how Aloe should make decisions. In one characteristic incident, managers disagreed over whether old organisation charts or Aloe's contracts with Garrya should determine a unit's staffing. Not only external boundaries but internal principles of coordination became unclear.

The uncertainty these structures faced left them open to critique. Changes of leadership were common because units' hurried setup often necessitated temporary contracts. New staff tended to politely criticise the structures they entered: as one Dryas manager said, 'let's forget the past and talk about good governance'. Accordingly, re-structuring savings plans could become cyclical. New structures created to manage austerity pressures were then themselves serially tweaked under criticism or the pressures of austerity. Frequently changing structures contributed to the problems of unstable tests described in **conducting and contesting** and made it harder for relationships to mature. Rather than resolving problems of coordination created by austerity, restructuring seemed to perpetuate them.

New relationships

With new and old structures struggling, it was tempting to bypass formal structures altogether. Across sites, but particularly in Dryas, familiarising coordination became important. When Dryas managers determined that existing structures were not working, they wanted to get staff 'in the room' to discuss projects. As the Projects Office grew, they were increasingly incited to have more 'touch' with projects. Senior staff increasingly described making judgements based on gut intuitions. That this was most prominent in Dryas was unsurprising. Dryas had a more interpersonal ethos; and its formal systems received criticism for their lack of familiarity (juxtaposing savings objects with familiarity). Addressing failing formality by looking to the familiar was appealing.

This strategy sometimes succeeded but tended to be hardest where most needed. Staff in financially struggling divisions found attempts to ‘get closer’ to them invasive. In Dryas, Projects Office staff expressed bemusement at one division’s reluctance to engage more closely. Yet given the significant scrutiny this division faced over its spending, this was unsurprising. Nor were more intimate, interpersonal cues always viewed as reliable. One manager described a colleague crying in a meeting, casting this as a ploy to reduce their savings obligations. With close relationships and emotional signals distrusted, intimate coordination was difficult. This distrust was only greater where restructuring savings plans had intensified formal governance.

New moral domains

Absent effective coordination, and with organisational values less clear (see **reconfiguring**, pp.196-199), moral separation became prominent. This practice describes people separating their own moral domains from those elsewhere in an organisation, avoiding outright dispute and facilitating more local coordination. Sometimes, staff simply avoided raising potentially contentious issues. One Dryas interviewee described ‘very little open and honest discussion’ because divisional staff ‘feel...silenced’. This view was not universal, but Dryas and Thyme staff seemed reluctant to raise controversial issues, particularly those surrounding cost-quality trade-offs.

Groups could also engage in moral separation by segregating their normative projects from those of a wider group. Dryas’s senior management activated this practice in creating an ‘internal fairness’ narrative to justify actions associated with ‘unfair’ austerity. Departments used similar devices to dissociate from organisational objectives. This enabled departmental coordination precisely by distinguishing themselves from wider austerity projects.

These cases reveal moral separation as often vital to organisations’ stories. Staff responsible for savings sometimes separated themselves from quality considerations. It became ‘something for someone else to worry about really’. This was facilitated by nationally mandated QIAs. Managers responsible for finances often invoked these or divisional staff as guardians of quality, meaning it need not be their routine focus. When nonfinancial priorities were introduced to financial fora, managers tried to justify them in financial terms. Staff wished to discuss those issues, but some fora made it feel inappropriate.

Managers separating themselves from quality considerations did not assert that those considering quality did so without regard to finances. Nevertheless, it is important to emphasise how influenced by financial considerations those assessing quality seemed to be.

With the supposed guardians of quality having senior managers' financial considerations 'playing as a script' in their minds, or always 'carrying that context', quality and cost considerations were not neatly segmented into different domains. Instead, there was an uneven segmentation, in which some domains consider both quality and finance, others finance alone. This influences how balances between them are struck: it effectively delegates challenging value-laden decisions to those fora managers described as covering quality considerations.

Making do

Sites were unanimous in presenting instances of strain where comparatively junior staff were left resolving major issues when traditional coordinative approaches had failed. While the above three mechanisms sometimes resolved these failures, often they did not. Indeed, they could conflict with one another, as when new, strict governance regimes (restructuring) undermined the trust familiarising coordination relied upon. Such circumstances saw staff marry the inconsistency to address the situation. This practice relates to resolving conflicting or unclear goals in which successful coordination seems impossible. Like **reshaping** overall, marrying was particularly prominent in Aloe, whose nascent structures and resource scarcity predisposed to such difficulties.

Notwithstanding staff's ingenuity in marrying the circumstances they found, these cases demonstrated this was getting harder. The importance of 'goodwill' time was common across organisations. But such 'goodwill' was becoming harder to come by. This was not simply because staff were becoming less willing. One manager in a clinical area described doing the equivalent of two roles to maintain good service. But they worried: 'I don't have a succession plan. I don't know if there's anybody who wants to take my job'. They also doubted how long they could continue their current workrate. Organisations were already losing staff and struggling to recruit replacements.

This had serious implications. The manager above described what would happen without their extra hours:

It would be chaos because staff would feel very uncomfortable, unsafe, unsupported, which then would permeate throughout the patients. The patients would feel this uncertainty, you know, unsupported, you know, uncomfortableness with staff. You have to work like this if you're to deliver a really good service. (Interview, Dryas)

The cost of working only one's hours was the 'chaos' and 'uncertainty' extra work otherwise contained. This threat of 'chaos' was ever-present. When Aloe's finance managers lacked resources to meet their obligations, they were forced to make prioritisation decisions for which they were ill-equipped. This precipitated chaotic decisions which one manager described as funding whoever 'shout[s] loudest' (p.168). When Dryas managed the 'beds crisis', it faced what one manager called the 'normal chaos' of scrambling to find beds. As inconsistencies proved impossible to sustainably marry, such activity increased.

This meant that a considerable proportion of marrying became the emotional work of simply getting by in environments of uncertainty and moral jeopardy. Staff regularly observed 'the impossible thing we're trying to square'. Black humour became commonplace as staff attempted to defuse the anxiety such decisions brought. One Dryas interviewee described 'paralysis' coming from the increasingly financial focus of their work.

With evaluative mechanisms failing (**conducting and contesting**) and values decreasingly fixed (**reconfiguring**), staff variously attempted to regain stability. This was sometimes possible. Where coordination continued to fail, marrying the inconsistency became central to **reshaping**. But short-term, ad hoc solutions and informal work made longer-term planning harder, further destabilising efforts to understand the situation. This only made **attaining tenuous futures** harder, reinforcing the practice which started this Chapter.

Conclusion: modelling austerity management

The subsections above use processual analysis and inter-case comparison to provide more developed, dynamic accounts of the practices Chapter 6 introduces.

They thus highlight these practices' interrelations and how they develop a mutually reinforcing system. Austerity pressures precipitated **attaining**. To fill the gaps **attaining's** budgeting processes left, **constructing possibility** concretised hypothetical ideas into savings objects. As these possibilities, and the need to save itself, threatened erstwhile compromises around quality, organisations **reconfigured quality** to make it compatible with such savings. This fed into the **possibilities** which could be constructed, which in turn enabled corresponding **financial tests** to be **conducted and contested**. Yet all this still precipitated instability, as the *resistance* these practices met from the world and from other people was significant. This precipitated **reshaping engagements**, as staff addressed coordinative failures in exceptionally difficult circumstances.

From this account and those preceding in this Chapter, Figure 10.4 models the interrelations between these practices.

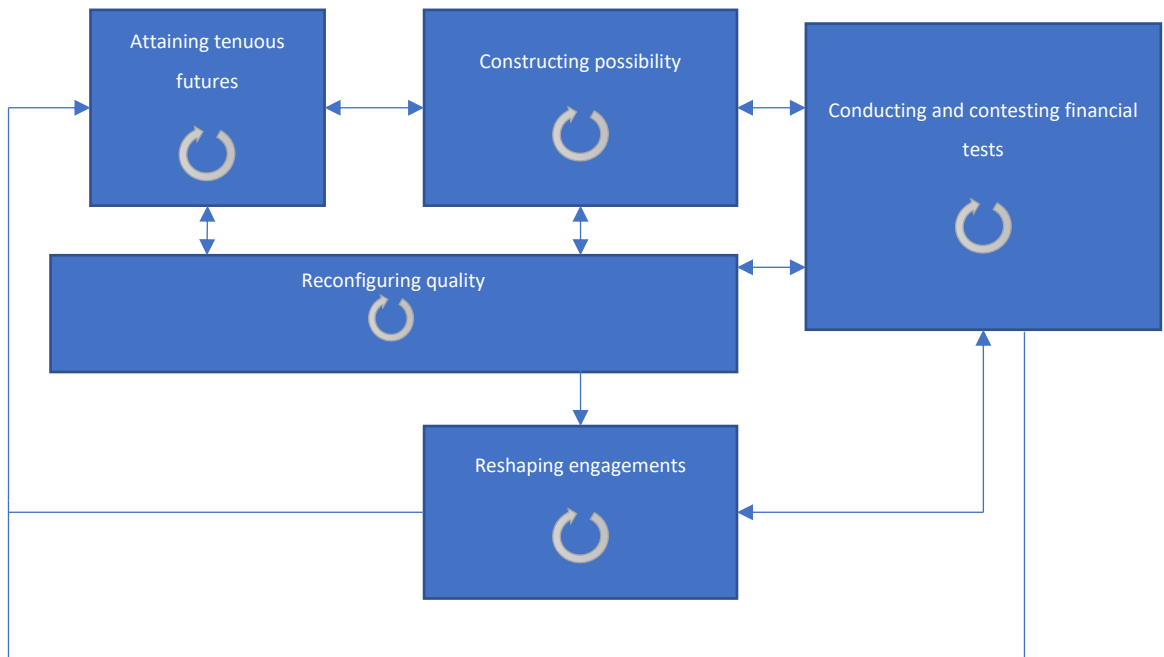


Figure 10.4 – Austerity management practices

The model and the rest of this Part highlight practices which cut across organisations despite their differing circumstances. Strikingly, each organisation constructed comparable crises through **attaining tenuous futures** despite differing financial states. While the futures they foresaw sometimes differed, each invested significant work in **constructing possibilities**. The different possibilities they constructed shaped different financial tests, but each of those financial tests was similarly **conducted and contested**. Organisations anxious about quality found different ways to reconcile themselves to savings. But all **reconfigured quality** variously over the period. Across differing organisations, sectors, and levels of financial stress, staff found traditional means of coordination undermined, leaving them **reshaping engagements**. Despite sites' variations, these engagements consistently formed interrelated elements of austerity management practice.

Yet these five core practices are not homogeneous. As this Chapter emphasises, each comprises multiple sub-practices in mutual tension. As Thévenot predicts, interventions meet a resistant world. The sub-practices identified stress that austerity sees that resistance become particularly stern. As the circular arrows illustrate, each box of Figure 10.4 is a site of resistance and change. For instance, **constructing possibility** includes dialectic resistance between

packaging savings objects, constructing the good organisation and juxtaposing savings objects with familiarity. Such dynamics mean no element of this cycle is reliably stable.

This chapter highlights this instability within our five core practices. Each organisation **reconfigured quality** in different ways across the periods observed (p.197). Their patterns of change differed; but each changed, and each change was driven by *resistance* to earlier approaches. Processual and comparative analysis highlight similar propensities for tension or change across the practices reviewed.

The interconnections between these unstable engagements means that they destabilise one another. Uncertain but demanding financial situations (**attaining**) precipitate contentious savings objects (**constructing possibility**). Yet their contentiousness exposes them to disputes which can discredit them, making **attaining tenuous futures** once again more uncertain. There are dialectic instabilities between many of our core practices.

The cases

Notwithstanding that Figure 10.4 emphasises cases' consistencies, it also helps understand and anticipate their differences. The austerity management literature normally highlights three inter-organisational differences: i) broad approaches to austerity; ii) types of savings sought; and iii) outcomes achieved. This model helps explain these.

Approaches to austerity

As explained above, Thyme's movement from 'strategic' to 'managerialist' savings and Dryas's opposite journey can be explained by the same dynamic. Austerity programmes were expected to help their organisations navigate austerity's turbulent waters. Yet each struggled to grasp the totality thereof. Transforming Thyme did not fit the developing urgency for short-term savings, precipitating its more managerialist restructure. Yet where Dryas already had such a PMO in its Projects Office, tracking myriad savings projects became both too difficult to achieve and insufficient to grasp austerity's complex dynamics. Dryas thus yearned for a more manageable focus on fewer, more 'strategic', schemes. Both units failed to **conduct and contest financial tests** that accounted holistically for the austere realities senior managers perceived, precipitating **reshaping engagements**.

Types of savings

Sites sought different types of savings. Thyme was ecumenical in its attitude to savings: if bottom lines added up, the centre was relaxed about how this was achieved. Conversely, Aloe strove to create clear, measurable savings meeting CIP definitions, deprioritising other types.

This contrast sprang from the different prevalence of **constructing possibility**. **Constructing possibility** created an imperative towards constructing clear savings 'objects'. It was least prevalent at Thyme, but strong at Aloe. Here, the need to **construct** was enforced by accounting structures that prevented Aloe from financially benefitting from savings they could not clearly demonstrate. Accordingly, for Aloe's finances, demonstrating CIPs could be as important as savings themselves. Thus did an organisation in significant financial stress respond by contracting the range of savings it focused on. Across sites one might thus expect austerity to increase focus on conceptually plausible, simple, easily measurable savings. As this comparison demonstrates, we should expect this to be strongest where **constructing possibility** is strongest.

Outcomes

No organisation achieved continual, consistent stability. Yet they differed in the extent and site of the instability affecting them. Dryas's financial governance was destabilised by criticisms and replacement of its means of financial measurement. Its rebudgeting and many methods of financial measurement seemed to help close divisions' budgetary gaps, but at the expense of preventing budgets and measurements becoming well established as meaningful measures. They better **attained tenuous futures** in the short term but destabilised their **financial tests**.

Conversely, Thyme refused to continually alter its budgetary measurement or to rebudget. They preferred to repeatedly ask divisions the same budgetary question until favourable answers emerged, filling in-year gaps with bailouts. This consistency apparently arrested instability in financial measurement (**conducting and containing financial tests**). But continual bailouts and repeated evaluations left divisions unsure that financial urgency was real or that any one iteration of the budget would turn out to be the important one. The situation grew more contested (**attaining**).

Aloe's instability was perhaps most challenging because it focused on Aloe itself. Hurriedly created to enable a 'commercial' logic, it found its boundaries unclear and decision-making procedures contested. By radically **reshaping** itself under austerity, Aloe's own identity became unstable. Creating new units and organisations under austerity appears risky.

The model thus helps us understand the types of uncertainty from which organisations under austerity suffer and highlights the consequences of attempts to stabilise any one element. Organisations appeared sometimes able to successfully limit instability in one domain, but at the price of augmenting it in another. Continued instability was a feature of austerity management.

Reflections on prior theory

Emphasising the destabilisation of measurement devices, values and evaluation, this analysis already highlights Thévenot's (2001b) relevance. Part 5 will develop and explore this further. Therefore, this section emphasises only some of this analysis's consequences for austerity management research.

First, austerity management literature often bases its analyses on organisations' own budgetary or financial data. Chapter 2 (p.30) theoretically demonstrated that this was problematised by organisational data's instability under austerity. This research confirms and amplifies this argument. Not only are the 'accountancy wheezes' already highlighted (Gainsbury, 2017; Pandey, 2010) strongly present, but even apparently concrete savings are shaped by strategic optimism. This is not a question of organisation-level inaccuracies that a large enough sample can 'even out'. Such data are distorted by national factors like STF rewards. Research based on such data will be systematically misguided.

Second, writers highlight a lack of deterioration in quality, often through interview-based studies. Unexpectedly, this research identifies a destabilisation of and contraction in what 'quality' means under austerity. 'Quality's meaning today may differ from its meaning ten years ago. Assuming its meaning was constant could lead to false conclusions based on interviewees describing 'quality' remaining robust. Austerity destabilises normative referents.

Third, writing about the austerity management process characterises changes in austerity management approaches as smooth and progressive. This research suggests that they are neither. Rather, it describes a multidirectional macro-level movement between across-the-board, managerialist and strategic approaches as chosen approaches prove incapable of grasping the full complexity of austerity's reality. Yet by getting closer to the ground than most predecessors, highlights the frequent lower-level changes in management and measurement. The picture is not one of gradual progress, but of frequent, choppy, uncertain multidirectional changes which occasionally amount to the structural change higher-level studies perceive.

Theory and questions

The foregoing paragraphs emphasise what this model already tells us. Equally importantly it implies three avenues for better explanation. These set an agenda for Part 5, which enriches the practices and model found so far by theorising it through RE (Thévenot, 2001b).

First, the cases demonstrate that these organisations rely on situations shaped by internal discursive and material work; and by national policy and discourse. Key texts like the Carter

review substantially influenced austerity management in sites like Thyme. Across organisations, NHS budgetary rules, particularly around control totals were important to **attaining tenuous futures'** pathological features. To adequately theorise these dynamics, we must i) better understand NHS policy discourse, and ii) theorise how discursive work shapes one's situation. Thévenot is deeply interested in such *situations* but does not theorise how those *situations* are discursively constructed. Doing so alongside NHS policy discourse becomes our first task.

Second, this model emphasises the role of situational uncertainty and attempts to manage it. **Attaining's** presentation of financial circumstances, **constructing possibility's** account of latent potential and **reconfiguring quality's** various presentation of extant cost-quality compromises all shape how situations are seen. All are themselves beset by uncertainty, resistance and instability. Thévenot's work focuses on apprehensions of *situations*, ways of stabilising the same and the types of *resistance* and uncertainty they bring. Theorising this model through his lens becomes our second task.

Third, there is striking instability in these cases' financial evaluations, and the organisational structures through which they are conducted. These are vital to determining organisations' responses to austerity, and how they are enacted. Evaluations – or *tests* – are equally central to Thévenot's analysis. And the various ways people **reshape engagements** can be incisively understood in terms of the distinctions between the *regimes of justification, planning and familiarity*. Better theorising these interconnections will be vital to austerity management. Doing so becomes our third task.

Part 5 addresses these tasks by drawing theoretical conclusions from our model and the data supporting it. Chapter 11 investigates how national dynamics shape local *situations*. Chapter 12 examines the uncertainty characterising austere situations and attempts to stabilise them. Chapter 13 interrogates evolving financial tests and corresponding forms of engagement in austere organisations. Combined, these developments utilise Thévenot's thinking to theorise this Chapter's empirical model.

Part 5 – Theorising austerity management

Chapter 11: Situating work

Introduction

The foregoing chapters demonstrate empirically that organisational practices and processes are driven by more than those organisations' immediate material circumstances. Austerity management seemed shaped also by how people characterised those circumstances, and the national policy factors they invoked in doing so. Accordingly, Chapter 10 concluded that it was important for us to understand i) that national discourse, and ii) how people shape the circumstances deemed part of their *situation*. This chapter addresses these requirements.

We start with the observation that EW/RE should be well adjusted to the latter end. This perspective emphasises the *situation* and explains that different *situations* render different types of *principles* appropriate (Boltanski and Thévenot, 2006). *Situations* can therefore be *formatted* to make them more or less appropriate to given *principles* or *regimes*, thereby avoiding *uncertainty*. On face, EW/RE should be well adapted to conceptualising how *situations* are discursively shaped and why this appears to have such consequences for our cases.

Yet, puzzlingly, EW/RE's theory of discourse's role in shaping such *situations* remains implicit. The theory is acutely aware that language matters, acknowledging that no such thing as a 'pure' situation outwith any 'report' can exist (Boltanski and Thévenot, 2006). Nevertheless, perhaps nervous of neglecting EW/RE's acknowledgment of materiality's importance, empirical work investigating how *situations*' are shaped focuses resolutely on the material (e.g. Dionne et al., 2019). Nor does Thévenot's own work elaborate these discursive 'report[ing]' processes. While EW/RE is well suited to understanding how *situations* are shaped, empirical and theoretical work is needed to conceptualise this.

This chapter undertakes that work, demonstrating more theoretically how this '*situating work*' occurs, and considering its dynamics. Thus can remaining chapters then begin with the premise that *situating work* matters and insights about how it occurs. As the cases above demonstrate, this perspective is important to further theorising austerity management. To provide valuable supplementary empirical insights, this Chapter theorises this work through the example of UK healthcare austerity discourse and policy, 2008-18. My aim here is not to rehearse previous chapters' elaboration of how organisational actors *use* such national discourse within

organisations, but to use the national debate as a case through which to theorise *situating work*.

Doing so is necessary to conceptualising some practices observed above. This is true of efforts to locate organisations within existential threats (**attaining tenuous futures**), construct savings objects (**constructing possibility**) or modulate the meanings of quality compromises (**reconfiguring quality**). This Chapter therefore focuses on these three practices. Recognising the national debate as a *public dispute*, the Chapter locates itself within the EW literature, a parsimonious way of operationalising RE in such circumstances. It conceptualises *situating work* and highlights the discursive practices associated with it. These correspond to elements of the practices listed above.

It proceeds in four sections. First, it recalls the EW/RE literature, and its treatment of the *situation* and theoretically considers its discursive shaping. Second, it reports and analyses the national case of UK healthcare austerity, 2008-18. Third, it reflects on what this means conceptually for the EW and RE literature. Finally, it adds brief conclusions about UK healthcare austerity and its interconnections with organisational work.

Conceptualising the situation

Situatedness is EW's strength, but also its weakness. Attempts to conceptualise social action often present excessively individualistic or excessively collective accounts of people's motivation and action (Diaz-Bone, 2011). Individualist accounts common to domains like orthodox economics imagine motivations as inhering in the individual. Insofar as there are social values, they are shared because individuals with similar interests share similar motives. In these accounts, aggregated individuals present a full picture of society. There is no space for truly social action or motivations, creating an unsatisfactory picture of a world which involves movements and processes irreducible to individual interests.

Others conceptualise values as 'social norms', shared among societies or collectives. These norms exist beyond individuals and are taken to explain their action. Workers are sometimes described as acting according to 'institutional logics' (Thornton and Ocasio, 2008) explaining their choices as 'members' of a given organisation. While accommodating social action, such accounts struggle to explain why people's preferences vary, or why groups adopt different priorities in different contexts.

EW's *situatedness* resolves this dilemma. By explaining disputes as *situated* action it avoids both excessive collectivism and individualism. Agency remains individual; but individuals share

a sense of what is situationally appropriate. People may freely invoke any *principle* to justify their views but know which ones others find contextually relevant (see p.50-51). Thus they will often use similar principles in similar situations, but because of individual agential choices. This *situated* approach explains shared values which individualistic approaches leave mysterious while maintaining agency better than accounts which subjugate people to 'social norms' or a unitary *habitus*. EW's (and RE's) *situated* nature is core to its theoretical advantages.

Yet starting with the *situation* begs questions about where that situation originated. Discursive writers observe that *situations* are socially constructed (Grint, 2005). Rather than their existing patently in the world, we create *situations* by identifying circumstances, people and other factors as pertinent and interconnected. Different people facing the same bare facts perceive different situations. Today's news makes manifest the distance between *situations* and reports thereof (Newman et al., 2017, pp.20–23): brute facts seem increasingly frail and how *situations* are communicated increasingly pertinent (Fairclough, 2000, p.165). Indeed, contemporary disputes often centre around *situations* of which multiple competing accounts exist (McCann, 2013).

Yet most EW research does not focus on how such *situations* arise, instead taking the 'situation' as its starting point. This misses half the story (Ramirez, 2013). Boltanski and Thévenot observe that the values deemed befitting a 'situation' depends on how its elements are *arrayed*: how they are configured and related. Thus how *situations* are arrayed can shape the values according to which decisions are made, and even whether disputes occur at all.

Nor is the idea people 'shape' *situations* only academic speculation (Gond et al., 2016). Consider the executive who wants 'transformational thinking' so sets up an off-site 'away day' to precipitate it; or the manager who painstakingly prepares data to contextualise their department's apparently questionable performance. Neither is (yet) involved in a dispute; but both work to ensure certain justifications seem apt should disputes arise. Their work precedes and shapes the *situation*. EW research leaves such work underanalysed.

This omission matters because *situations* are central to EW. The work described above affects the *objects* in a *situation*, and how they are 'arrayed' (Boltanski and Thévenot, 2006, p.140). It shapes the situation apprehended, and the justifications appearing apt. Understanding this work involves theorising both how a *situation's* material circumstances come about; and how discursive processes shape those circumstances into situations.

Writers have begun the first of these (Ramirez, 2013). Dionne et al (2019, p.666) identify the 'evaluative moves' in a series of disputes to 'highlight the material dimension of the evaluation process'. Gilbert et al (2017) explore people's preparation anticipating disputes. Investigating these material processes partially reveals what precedes and shapes disputes.

The second, discursive development is equally necessary. One cannot respond to the *situation* 'out there', but only to one's perception thereof. Writers outside EW highlight that 'situations' themselves are selections of material circumstances seen as salient and interrelated (Grint, 2005). They highlight some contextual facts, omitting others. The same brute facts thus produce various *situations*. Indeed, EW's pluralism requires that given circumstances can be seen variously, according to differing *worlds*. In Boltanski and Thévenot's (2006, pp.139–140) terms, how a situation is perceived depends on how its constituent elements are linguistically 'arrayed':

The way the beings involved are arrayed is not defined apart from a report that records them, a transcript that sets down their presence and their relationships. It is impossible to imagine anything like a "pure situation" unrelated to any report.

Such 'reports' are most prescient in *situations* partly communicated linguistically. The complex, public controversies EW scholars tend to analyse (e.g. Patriotta et al., 2011) exemplify such 'textually mediated' situations (Fairclough, 2000, p.165). We know the details of public controversies because newspapers describe them. Executives know their corporation's 'situation' because middle managers report it. The details writers or speakers include and how they include them affect how those situations are perceived (Fairclough, 2003; Jones and Exworthy, 2015). Meaning-making ('discourse') shapes how these situations are perceived (Fairclough, 2015).

With meaning-making central to recognising *situations*, one might expect two things. First, that EW scholars regularly analyse how proximal *situations* are discursively constructed. Yet such attempts are absent. Where we do analyse how language is used to construct disputes' context, that context is macro-level: a 'political regime' (Nyberg et al., 2017, pp.162–164) not a specific *situation* (Chiapello and Fairclough, 2002). Such 'regimes' are neither a substitute for analysing proximal *situations* nor an unproblematic avenue for EW: explaining *situations* in such macro-level terms risks returning to the 'macro-social skeleton' which conventionalism attempted to escape in the first place (Thévenot, 2014a).

Second, one might expect EW scholars to deploy nuanced linguistic methods to understand how situations are formed. Yet we instead tend to treat language as a more-or-less transparent medium for conveying meaning. Our analyses focus on who means what when, as opposed to how language was used to create those meanings (e.g. Nyberg et al., 2017; Patriotta et al., 2011; though see Chiapello and Fairclough, 2002). To understand how situations are shaped, we need the detailed language analysis Thévenot demands (Moody and Thévenot, 2000).

This study is not the first to consider EW discursively. Diaz-Bone's Foucauldian approaches explore deep structures implicit in *worlds* (e.g. Diaz-Bone, 2013). Others use forms of the CDA used here (Chiapello and Fairclough, 2002; Nyberg et al., 2017). Yet others' foci have tended to be considerably grander: whole 'worlds' or 'regimes'. The more prosaic but theoretically vital question of how particular situations are shaped within individual EW disputes is surprisingly under-considered.

Situations and healthcare austerity

This chapter addresses this limitation by analysing how *situations* are shaped within a particular controversy: UK healthcare austerity 2008-18. Selected for reasons considered in Chapter 5, it represents an ideal, prolonged period through which to examine such transformations. Austerity is particularly suited to and demanding of this treatment because it is a complex *situation* subject to multiple contrasting descriptions (McCann, 2013). Through this case, this chapter identifies discursive practices which shape how this situation is perceived (Vaara et al., 2004).

The methods used in this analysis are detailed in Chapter 5. Of the data described there, this analysis uses only the corpus of national texts (p.82). These were analysed using the full breadth of analytic resources Chapter 5 describes, including thematic and processual analyses. However, considerably more attention was given to discursive analysis here, including microlinguistic and corpus analytic techniques (p.87). The following sections narrate the progress of healthcare austerity, highlighting key discursive practices.

Period I – Disputing efficiencies

Following the 2008 financial crash, the then Labour Government increased borrowing and investigated ways of saving money. In 2009, they commissioned McKinsey, a management consultancy, to find savings within the NHS. McKinsey's report (*Achieving World Class Productivity in the NHS*; hereafter, *Achieving*) argued that £15-20bn of productivity

improvements were possible ‘without compromising quality’. Without publishing *Achieving*, Labour announced a £20bn NHS savings plan (National Audit Office, 2011).

Following the 2010 General Election, the incoming Conservative-led coalition signalled their intent to increase and hasten savings. Simultaneously, they launched an unexpected series of NHS structural reforms, widely seen as a pet project of Andrew Lansley, now Secretary of State for Health (Powell and Exworthy, 2016, pp.368–369). Both moves attracted criticism; some cast their combination as an impossible challenge which jeopardised quality.

Constructing and managing crises

It was in this context that the Government decided to publish *Achieving*. Its and similar texts’ discursive practices were important to efforts to legitimise savings requirements. The first practice, constructing and managing crises (constructing crises) became important in Period I and remained so throughout.

Achieving begins with a set of slides titled:

- Q1. Macroeconomic context has dramatically worsened in the last 12 months
- Q2. Declines in health care spend are typically observed after a crisis across European countries
- Q3. In the UK, after the private sector recession comes the public sector one
- Q4. The next spending review period from 2011/12 will be much tougher with a potential [NHS] funding gap of £10-15bn

Quotations 2-4 describe processes of changing public sector spending. ‘Declines in health care spend’, Q3’s ‘public sector’ ‘recession’, and the ‘tougher...spending review period’ each describe sustained choices to reduce areas of public spending. Such processes are usually linguistically represented using verbs. Yet these processes are in fact realised as ‘noun phrases’ (groups of words together acting as a noun). This makes several differences; but one is that verbs usually mark the processes they represent for tense, whereas noun phrases do not. Whether something ‘declines’, ‘declined’ or ‘will decline’, the temporality of its decline is made clear. The reader sees the process of decline occur during the sentence. Put technically, verbs usually delimit in time the processes they represent. Q1-4’s processes are not thus delimited, so do not seem to begin or end during these clauses. We know that ‘declines’ (noun) must begin and end somewhere; but during Q2, ‘declines’ remain statically present, being

‘observed’. Thus represented, decision-making processes become background objects, not temporally delimited events.

Yet they are temporally immediate, cast as intimately related to the present. ‘Context’ (Q1) is defined by this immediacy. Q2 and Q3’s ‘declines’ and ‘recessions’ are described through the ‘timeless present’, a structure which uses the present tense to describe what seem eternal laws (Fairclough, 2003, p.152). While relevant to ongoing events, these immediate but not temporally delimited circumstances thus act as fixed backgrounds to other actions. They become not processes, but parts of the situation.

Spatial categories achieve a similar effect. Q1-Q4 offer concentric spatial classifications travelling from a global ‘macroeconomic context’, through crisis-stricken ‘European countries’, a ‘UK’ in ‘recession’, to the ‘NHS’. The immediate NHS context is constructed within a global macroeconomic crisis. Spatially and temporally, texts combine the proximate with the universal. Government spending decisions become elements of a taken-for-granted background situation. Comparable effects occur throughout the corpus as constructions like the ‘financial landscape’ juxtapose financial and spatio-temporal schemes of classification. Spending choices are embedded in *situations* of financial crisis.

Transformed into *situations*, spending choices are deprived of their governmental actors. Instead, language like ‘the public sector recession’, ‘decline’ or ‘negative growth’ describe Governmental choices as if they were indicators like Gross Domestic Product (GDP). Recast as an economic indicator within a market situation, spending seems less agential. ‘Spend’ has ‘declined’ because that is all the inexorable logic of the market would allow.

Freezing Government spending choices into features of a macroeconomic crisis makes market-world principles seem unavoidable. With a market context taken for granted, texts can exhort readers to ‘face’, ‘meet’ or ‘face up to’ a global crisis in their NHS work. With market logic embedded in the situation, not focusing on finances becomes not ‘fac[ing] up’ to a critical *situation*.

Satisficing and instrumentalizing quality

Notwithstanding constructing crises’ efforts to place healthcare in a market context, the NHS’s situation was no blank slate. A dominant NHS quality discourse appealed to principles of collective welfare and, through objects like the *NHS Constitution* (Department of Health, 2009b), to rights and entitlements. Healthcare quality, with its civic overtones, was an important competing value (Exworthy and Mannion, 2016, p.12).

This necessitated further work to govern the relationship between quality and market *principles*. *Delivering Sustainable Cost Improvement Programmes (Delivering)* is a set of guidelines published in January 2012. It praises a dataset designed to evaluate hospitals' worth. The 'Quality Indicator Pyramid' includes patients' rating of care, 'serious untoward incidents', mortality, readmission, staff sickness absence, bed occupancy, cost improvements and financial management.

We can analyse this Pyramid through its 'meaning relations': the ways texts relate terms to one another (e.g. synonymy). 'Hyponymy' describes the relation between a generic term and instances of it ('tree' and 'elm'). In advocating the variables described above as measuring 'Quality', *Delivering* structures them as 'hyponyms' of 'Quality'. Yet most fit *market* (financial value) or *industrial* principles (productivity). Similarly, cost reduction elsewhere becomes a dimension of 'quality improvement'. Texts restructure 'quality' to incorporate preferred *market-industrial* values.

Yet it would be premature to cast texts as granting *market* values simple dominance over quality's *civic* heritage. Simultaneously, they insist that quality will be preserved:

Q5. Adopting certain ways of working can deliver planned [savings] without reducing quality and safety (*Delivering*)

Q6. Which success examples of improved efficiency without compromising quality could be shared? (*Achieving*)

Q5 and Q6 structure different meaning relations between quality and cost. Their 'without' constructions suggest prioritising finances imperils quality by implying antonymic relations between them. Recognising this potential trade-off, texts promise quality will not be harmed: they might not maximise quality but will satisfice it.

This practice configures meaning relations between quality and cost. 'Quality' is sometimes **reconfigured** to include financial values as its hyponyms. Yet quality and cost are also contrasted, with quality being satisfied. Combined, these specify a compromise between these values: quality should be satisficed, then savings maximised.

Packaging savings objects

Constructing crises and satisficing cast market values as suiting healthcare's *situation* and negotiate their relationship with quality: savings will be maximised, quality satisfied. Yet this raises a further challenge: how can such harm-free savings be achieved? The next practice – 'packaging savings objects' (packaging) – attempts to construct an answer. It became

prominent during Period I and continued throughout. Through *industrial* appeals to 'efficiency', it argues costs can fall without reducing quality.

This passage from *Delivering* exemplifies packaging. It encourages organisations to seek savings using Service Line Reporting (SLR).

Q7. SLR and benchmarking information helps budget holders to identify savings, transform services and present evidence to staff to help engage them in the change process. It highlights variation within services which supports teams to identify the inefficiencies and areas for improvement. Several organisations had encouraged staff to identify potential CIP schemes through using SLR data.

Each sentence in Q7 describes devising savings plans. This is an ideational, uncertain process. Devised plans may work, or not; may damage quality, or not. 'Savings' necessarily remain uncertain.

This uncertainty comes because suggesting 'savings' or 'efficiencies' are available describes more than the status quo. It suggests that things can be done cheaper without diminishing quality, positing a relation between a system's current and potential future state. Even ostensibly concrete, present-tense entities like 'waste' or 'inefficiencies' are similarly hypothetical. Something is 'wasteful' only if the same outcomes can be achieved with fewer resources. The 'plans' we 'devise' remain uncertain because they posit things about hypothetical futures.

Q7 describes such uncertain, ideational processes. Yet it describes them as people 'identify[ing]' and 'highlight[ing]' savings: visual, not cognitive, processes. Whereas cognitive processes like 'devising' describe intangible objects like ideas, visual processes act on pre-existing concrete objects. The text casts SLR data as showing the 'areas' 'savings' are in, according them concrete organisational locations. Described thus, 'savings' seem not hypotheticals to be devised but pre-existing objects to 'realise'.

Linguists differentiate 'realis' statements (statements of fact) from 'irrealis' ones (hypotheticals/possibilities). Suggesting a 'saving' involves realis and irrealis statements: it describes something's cost today, and its potential future cost (Graham, 2001). Yet these texts cast such suggestions as if they involve merely identifying concrete *industrial* objects (e.g. 'efficiencies', 'waste') in organisations' presents. The uncertainty inevitably involved in

hypothetical plans is obscured as these hypotheticals are packaged up in imagined concrete objects like 'savings' and 'inefficiencies'.

This makes it seem more plausible that costs can fall while maintaining quality. Seen as uncertain hypotheticals, savings always pose quality risks. Yet packaging transforms such savings from uncertain hypotheticals to already-existing improvements in concrete organisational locations. A lower cost, equal quality organisation is possible if one can only 'find' and 'realise' such already-existing 'efficiencies'.

Period II – Disputing responsibility

For a time, these practices succeeded. The idea that the NHS 'contained' inefficiencies remained credible, making harm-free savings plausible. However, the extent of proposed efficiencies was consistently contentious. A 2010 *Guardian* article questioned *Achieving's* savings:

Q8. McKinsey...warned that GP [General Practitioner/family doctor] time "lost to tea breaks" should be reduced as part of a scheme to improve "GP productivity" to the tune of £400m.

Small, mundane 'tea breaks' are juxtaposed with large, formal savings ambitions, ironically questioning McKinsey's analysis. 'Tea breaks' seem too quotidian to fit alongside productivity and savings schemes; and too small to cohere with £400m targets. The link between grand, unrealistic savings proposals and specific mundane savings ideas loses credibility.

Such attacks became more potent when hoped-for organisational savings failed to materialise. With savings demands large and 'efficiencies' doubtful, concerns about impacts on quality were reignited. By June 2012, the NHS Confederation, a major representative body for hospitals, reported 85% of surveyed hospitals feared financial stringency was jeopardising quality.

Later that year, Jeremy Hunt replaced Lansley as Secretary of State. A change in approach followed. As opposed to focusing predominantly on specific 'efficiencies', Hunt increasingly targeted hospitals' management capabilities. In July 2014, he commissioned Lord Carter of Coles to review hospital productivity: the report's (hereafter, *Carter*) eventual conclusions criticised management quality. Meanwhile, a series of speeches signalled Hunt's intent to cast financial and quality woes as joint symptoms of poor management.

Constructing the good organisation

As packaging ceased to be enough, constructing the good organisation (good organisations) became an important discursive practice. It complemented and displaced packaging by offering an alternative image of harm-free savings: 'good organisations' capable of reconciling competing cost and quality demands. *Carter* writes:

Q9. We see the best performing hospitals around the world not only provide high quality care but do so with a keen eye on productivity and a tightened grip on resources. There is strong international evidence that good hospital management practices deliver both improved outcomes and productivity. It seems every country has variation, but the best performing hospitals are typified by strong leadership and management of both quality and efficiency.

Q9 describes organisations simultaneously achieving multiple goals. Yet these achievements are not realised as processes but embedded within descriptions of organisations themselves: 'the best performing hospitals', or those with 'good hospital management practices'. Other texts similarly invoke 'successful organisations', 'strong' or 'weak performers' and 'organisations that deliver CIPs well'. All represent succeeding not as something organisations do but as part of what they are.

Texts explain this 'success' in terms of how organisations are built. *Connectionist* organisational development logics reinforced by *industrial* metaphors cast good organisations as possessing the right structures ('management structure', 'cornerstone', 'reinforced', 'mechanisms'). *Carter* describes a 'model hospital' exemplifying the consequences of such good construction. Poor organisations can become good if they only 'transform' themselves as organisational development discourses invite. If they struggle, it is through lack of 'maturity', or because 'barriers' obstruct 'change'. Even these setbacks promise optimistic futures. The immature will age; 'barriers' imply surmountable obstacles on otherwise progressive trajectories. 'Bad' hospitals contain the germs of good organisations.

This practice attributes success not to one-off present-tense actions but enduring structures and practices which predict tomorrow's success as surely as today's. It thus aligns realistic organisational structures with future (irrealis) success. Even organisations with poor real outcomes contain the latent potential to be 'good'. As packaging located latent efficiencies within organisations, so good organisations embeds within them the organisations they might become.

Blurring quality and cost

Good organisations enables an alternative framing of the relationship between quality and cost. Q9's 'good management practices' deliver 'both improved outcomes and productivity'. Whereas earlier meaning relations between quality and cost were often contrastive, here they are additive. A few months after commissioning *Carter*, a Hunt speech (*Good care costs less*) exemplified such relations:

Q10. World class care is not just better for patients, it reduces costs for the NHS as well. And in doing so creates a virtuous circle where ever more resources can be invested in improving patient care rather than wasted on picking up the pieces when things go wrong.

Q10's first sentence demonstrates the additive relations between quality and productivity. Its second contrasts 'patient care' with 'waste', suggesting consonance between 'patient care' and a cost-saving absence of waste. Quality and cost become complementary.

In each instance analysed above, the relation between quality and cost is governed by a third term. In Q9, 'improved outcomes' and 'improved...productivity' are both things which 'good management practices' precipitate. Q10's 'world class care' and 'virtuous circle' include among their implications reduced costs, lower waste and improved care. Quality and cost both spring from the virtuous management practices good organisations constructs: they become co-hyponyms, each exemplifying good management's good consequences.

This practice draws on good organisations to blur quality and cost. Rather than being merely compatible (as packaging argued), they become correlated. Rather than distinct values, they become dimensions of the same underlying good: effective management.

Period III – Disputing quality and losing grip

While discursively effective, shifting from targeting 'efficiencies' to management capabilities required financial governance changes. If management was the problem, different measures of success were appropriate. *Carter* thus introduced savings obligations targeting changes in management structure and practice.

Opposition to good organisations prompted further changes. Opponents argued systemic, not organisational, problems caused the NHS's financial woes. Parliamentary committees repeatedly called for greater Government leadership on sectoral problems. With many hospitals facing problems, it was hard to deny systemic problems. Consequently, Hunt responded by casting those systemic problems themselves as organisational responsibilities.

Good care costs less casts 'good organisation[s]' as having 'the right relationships'. With 'better partnerships between commissioners and providers', 'we [can] develop...integrated care pathways'. Interorganisational relationships themselves become just another attribute the 'good organisation' should possess. But making organisations responsible for interorganisational collaboration demanded further governance change: in 2016, organisations were asked to fulfil new financial targets within geographically defined 'Sustainability and Transformation Partnerships'.

These changes in how organisations were evaluated made those evaluations seem less stable. If Government would tomorrow change its mind about organisations' goals, why should its targets seem credible today? Mechanisms of financial governance which lacked credibility tended to control spending poorly, prompting Government to revise or replace them. But each revision or replacement further destabilised and discredited financial governance.

By June 2016, the Department of Health (DH) announced an unusual mid-year financial 'reset' to regain financial control. Two new spending caps followed: organisational 'control totals' and regional 'capped expenditure processes'. Hospitals ended 2016/17 cumulatively £3.7bn over budget (Gainsbury, 2017). With financial problems affecting ever-more organisations and Government intervention increasing, casting problems as organisational issues became unsustainable.

Frequent Government financial intervention reignited concerns there was a 'substantial risk' to quality (Robertson et al., 2017, p.56). So mainstream did this view become that senior NHS England figures publicly emphasised that Government, not they, controlled their budgets. When the Chancellor refused extra funding, NHSE's Chief Executive stated that the NHS would fail its highest profile access indicator.

De-valuation

With growing fears about quality, it was decreasingly plausible that 'efficiencies' (packaging) or transformation (good organisations) offered harm-free savings. With these discourses ineffective, previous ways of reconciling quality with cost were undermined. Consequently, Government relied increasingly on de-valuation, a practice exemplified by 'Value vs values' (*Value*), a 2016 blog post.

Q11. The principles that underpin all decision making are expressed in the NHS Constitution and the key principles in past decades have focused

on the need to use resources only on effective interventions and the need to meet need equitably.

More recently another principle has been added, the need to make decisions that do not waste resources and which will ensure the long-term sustainability of the NHS.

Q11 invokes ethically charged language (e.g. 'principles'). Yet its context suggests more complex readings. Three 'hyponyms' (instances) of 'principles' are described: 'effective interventions', 'equit[y]' and 'resources'. They are described as not absolute ethical imperatives, but historicised ('past decades', 'recently'), contextual 'need[s]'. 'Principles' are 'expressed', 'added' or 'focused' as people instrumentally determine. Even 'principles' become not objects of ethical reflection, but instrumental strategic devices.

To understand whether this was idiosyncratic to these texts, values language was reviewed across the corpus. *Sketch Engine* identified collocations between 'principles' and modifiers like 'guiding', 'organising', 'core', 'key' and 'nhs'. 'Principles' are 'set out', then 'applied' and 'followed'. They are listed alongside 'rule', 'value' and 'behaviour'. This describes pragmatic corporate devices defined by authoritative governments, not disputable moral values. As in *Values*, the meaning systems in which 'principles' exist removes their ethical charge and represents them as agreed, neutral strategic planning devices. De-valuation reframes this moral dispute as never having been moral at all.

Dénouement

But removing the moral charge from accusations that quality was worsening proved unsustainable. Media coverage highlighted stories of individuals affected by resource scarcity. For opponents, such stories manifested spending decisions' moral implications.

Opponents increasingly successfully cast Government as directly responsible. Healthcare establishment figures continued to link Government choices to clinical consequences. In November 2017, NHS England's leadership demanded £4bn in the upcoming Autumn Budget to prevent quality deteriorating. A week before the Budget, a *British Medical Journal* paper linked spending reductions to 120,000 'excess deaths'. Yet the Budget refused the NHS the amount requested. Within days, NHS England announced a list of treatments which would consequently stop. Government choices were unavoidably linked to clinical consequences.

Unable to cast efficiencies as latent within organisations; or to blame hospitals' poor management, Government had been left avoiding the crisis's moral content. Yet as

Government choices became patently linked to moral consequences, this strategy proved insufficient. In March 2018, the Prime Minister announced extensive further NHS funding.

Situating work

Through the practices described above, official discourse shaped the situation in which healthcare spending was evaluated. Figure 11.1's process model describes the crisis's three major periods and the discursive practices therein.

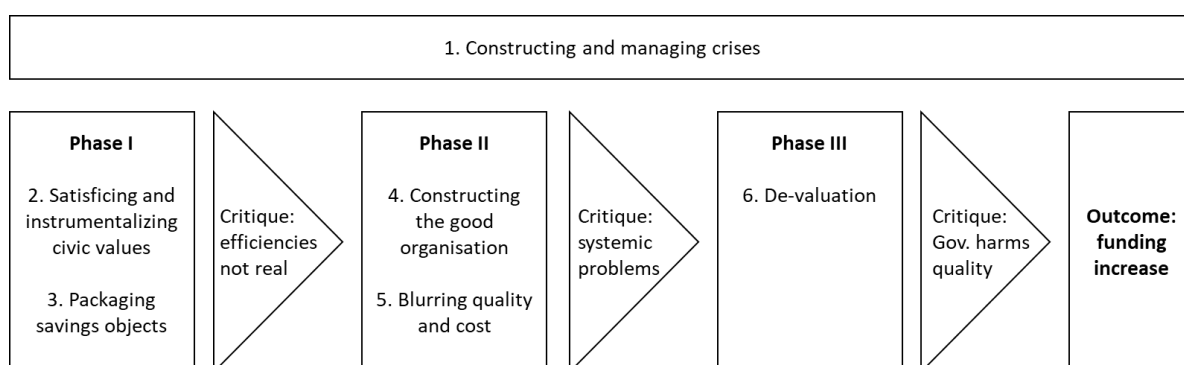


Figure 11.1 – The healthcare spending crisis.

EW and CDA help further categorise the practices identified above. EW theorises disputes' key elements, including their *situations*, the evaluative *principle* used, and the *qualified object* measuring compliance with that *principle*. Different discursive practices acted on each of these dimensions. Table 11.1 categorises these practices accordingly, noting how clusters of practices act on given EW dimensions.

Table 11.1 – Discursive techniques of situating work.

Practices	EW dimension	Linguistic features
<u>Constructing crises</u>	Freezing choices into background <i>situations</i>	Nominalisation/process nouns; spatio-temporal schemes of classification
<u>Packaging savings objects, constructing</u>	Embedding possibility in <i>qualified objects</i>	Irrealis objects
<u>Satisficing, blurring, de-valuation</u>	Modifying how <i>principles</i> are considered	Meaning relations of evaluative terms

This chapter focused on three of this thesis's five core practices: **attaining tenuous futures**, **constructing possibility** and **reconfiguring quality**. These three categories correspond to Table 11.1's three rows, highlighting that each acts on a different EW dimension. Building on this

insight, the sections below consider the pragmatic and discursive functions of each of these clusters of practices.

Attaining tenuous futures: freezing situations

The justification work literature starts its analysis by focusing on a selected *situation*. It thus risks taking that *situation* for granted, as if *situations* are simply happened upon, not made. A few writers highlight the material practices shaping them (Dionne et al., 2019; Gilbert et al., 2017). Yet even they imagine pre-existing *situations* modified by actors' material efforts.

Conversely, I highlight discursive work's importance in not only modifying but also initially forming *situations*. Constructing crises was important across each Period. In constructing healthcare within a wider macroeconomic crisis, it highlighted certain contextual elements and obscured others. Through nominalisation and spatio-temporal schemes of classification, it froze ongoing Government spending decisions into fixed backgrounds for organisational decisions. Inchoate, mobile processes became static, manageable *situations*.

Attaining tenuous futures entails subpractices which construct and manage *situations*, freezing potentially unstable, inchoate and disputed flows of activity into static, if pressing, backgrounds for action. The ubiquity of such practice is unsurprising. For organisations to be manageable and decisions made, the flux of events must be intermittently solidified and interpreted (Chia, 2000; Langley et al., 2013). Valuation requires ongoing trends and processes like Government decision-making to become solid, coherent *situations*.

This discourse achieves this by constructing crises, casting processes like 'macroeconomic context' and 'public sector [recessions]' as static backgrounds to spending decisions. Other discourses will use other means to freeze life's ongoing processes into coherent *situations*. This chapter therefore theorises **attaining** as a mechanism of ossifying *situations*, making organisational life manageable. Doing so through constructing crises additionally makes engagement with that *situation* through a *market* lens profoundly difficult to avoid.

Constructing possibility: forging realis-irrealis links

Yet the situations analysed entailed more than information about the present. Periods I and II were characterised by packaging and good organisations (Figure 11.1). As argued above, packaging links 'realis' (fact-claims) to 'irrealis' statements (predictions/hypotheticals). Objects it constructs – like 'waste' – encapsulate claims about both current and potential future productivity. Similarly, good organisations constructs concretised features of organisations, like effective 'management structures', which describe both organisations' contemporary

features and future successes. Like packaging, good organisations constructs concretised objects which links realis and irrealis statements (Graham, 2001). Both practices use objects to **construct possibility** in the present by forging realis-irrealis links.

These links integrate potential futures into our understanding of organisations' presents and thus our judgements about what they should do. This way of thinking is not unusual or esoteric. In seeing something as inefficient or substandard, we hypothesise improved efficiency or standards. In suggesting something should improve, we imply minimally that improvement is conceivable. In our intuitive evaluations, ought implies can. Accordingly, the texts analysed here argued whether improvement was possible to justify (or undermine) critiques of organisations.

Yet EW appears not to account for such judgements about potential improvement. It emphasises evaluations of tested entity's current compliance with chosen *principles*. Perhaps nervous of deviating from its present-tense 'situationalism' (Diaz-Bone, 2011, p.44), it does not allow for people's judgements about whether tested entities could conceivably comply better with selected *principles*. It thereby omits a demonstrably important consideration. Notwithstanding EW's desire to focus on the current *situation*, a rounded account of valuation must account for such judgements.

Recognising how realis-irrealis links **construct possibility** enables EW to do so without sacrificing its situationalist focus. Elements like 'management practices' and 'waste' inhabit present-tense realis *situations*. Yet they speak not only to that present but also to irrealis futures by embedding within accounts of what-is assertions about what-could-be. Analysing them enables EW to account for judgements about whether a tested entity could do better, presenting a more rounded account of justification and critique. Because **realis-irrealis links** embed these considerations in the *situation*, they do not undermine EW's situationalist focus.

Reconfiguring quality: modifying value relations

Alongside images of the present and potential futures, *situations* entail contextual understandings of the values and *compromises* relevant thereto. Across Periods, we identified practices dedicated to relating value concepts to one another: satisficing, blurring and de-valuation (together **reconfiguring quality**). These do not discuss values abstractly but suggest how they relate in context.

EW analyses of value combinations characteristically focus on the eventual bargains between values. Reinecke et al (2017) differentiate traditional 'compromises' from 'transcendence'

(creating new *worlds*), and ‘niche legitimacy’ (defining against a rejected *principle*). Nyberg and Wright (2012) highlight strategies which relate plural *worlds* through structures of equivalence and difference, including ‘combining’ multiple justifications to vindicate one practice, ‘collapsing’ one justification into another and simultaneously testing distinct practices (‘coupling’).

Emphasising situations’ discursive construction, this chapter advances this literature in two ways. First, we highlight de-valuation, a response to clashing values that avoids *justification* altogether. Analysts focusing on multi-value *outcomes* inevitably miss such techniques, because they result in arrangements apparently devoid of values. It is revealed by this thesis’s broader focus on a multi-value *situation*. Affirming this, Demers and Gond’s (2019) comparable focus on situations of institutional complexity recognises ‘sheltering work’ which similarly ‘defuses’ a compromise’s moral foundations. The two practices differ in that one ‘shelters’ a compromise behind a third ‘world’, whereas de-valuation embeds normally value-laden language in a context which wholly drains its moral content.

Second, this chapter links these normative *compromises* to the situation’s discursive construction. Packaging’s harm-free ‘efficiencies’ makes credible satisficing’s suggestion we maximise cost savings while satisficing quality. Constructing generic ‘good management’ as driving quality and cost alike, good organisations supports blurring’s representation of them as dimensions of the same underlying *good*. How situations are shaped affects how values can be combined within them. Put differently, methods of **reconfiguring quality** rely on which **possibilities** are **constructed**. As if to vindicate this, when Period III saw no plausible possibilities embedded within the present, Government was left avoiding *justification* altogether, adopting its least successful strategy of de-valuation.

Situating work

Attaining, constructing possibility and **reconfiguring** stabilise the flux of austerity into a manageable *situation*, include within it *objects* characterising possible savings and configure how plural *principles* contextually relate. Appropriately to this thesis, these practices are specific to austerity. Yet they also represent instances of wider practices relevant to other situations. Rather, one can discursively *ossify* situations, forge *realis-irrealis* links and *modify value relations* across various *situations*. This section considers them in this broader manner. Echoing the ‘justification work’ EW frequently studies (Jagd, 2011), I collectively call these practices **situating work**. Of course, situating work is itself a situated practice: but there is no reason to believe actors within a situation cannot shape how it or its successors manifest.

Figure 11.2 illustrates relations between **situating work**'s three dimensions. Solid arrows signify causality and facilitation; dotted arrows show chronology. **Attaining** is highlighted as vital to stabilising a *situation* so **possibilities** can be **constructed** therein. Those links enable related **reconfiguring** of values, shaping the evaluative measures adopted.

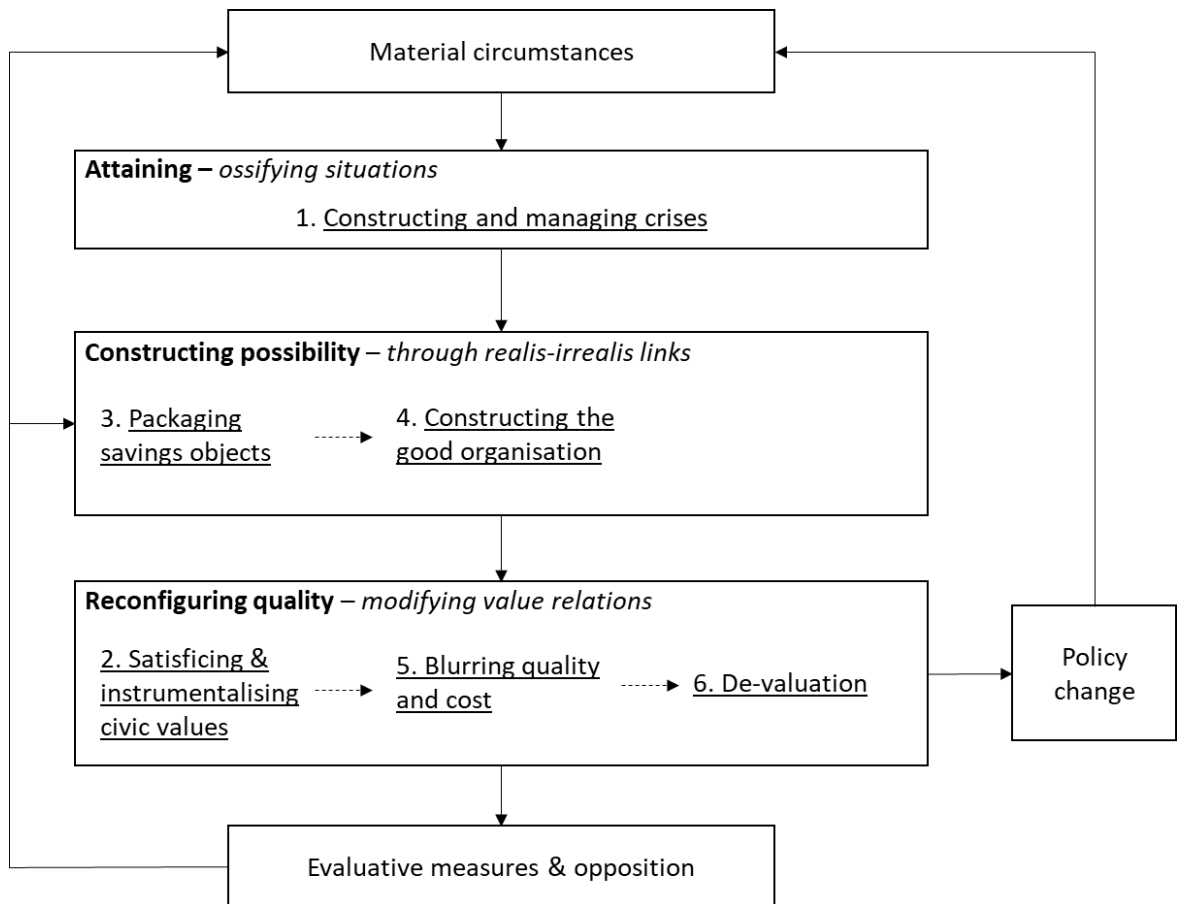


Figure 11.2 – Situating work.

This study demonstrates that discourse is central to forming stable, *test-able situations*. This realisation not only broadens our conception of how *situations* are formed, but also highlights an underappreciated variable. In public disputes, material changes are usually communicated linguistically, or with accompanying commentary. Focusing only on the material omits a mediating factor which determines the influence those material changes have.

Figure 11.1 and Figure 11.2 highlight the opposition which those attempting to shape the *situation* face. As Boltanski and Chiapello (2005) posit, *critique* can drive the transformation of dominant justificatory frameworks. Expanding this, we highlight *critique*'s importance outside *tests* themselves. Opposing voices often critiqued the latent **possibility constructed** in realis-irrealis links. Successfully deconstructing such claims prompted transformations in realis-

irrealis links and consequently in how **quality** values were configured. Transformations of dominant values may start with *critique* of how potential futures are discursively represented.

Table 11.1 (p.225) associates these techniques with their recurring linguistic features. While these associations were formed inductively, they are theoretically cogent. **Attaining** represents processes using nominalisation and process nouns. Because this avoids marking them for tense (Halliday and Matthiessen, 2013, pp.140–142), it is apt to freeze them into background situations. The realis-irrealis links of **constructing possibility** are elsewhere highlighted as capable of projecting visions of potential (Graham, 2001). Finally, **reconfiguring** is primarily achieved through meaning relations, one effect of which is to form structures of equivalence and difference. The practice therefore expands earlier accounts attributing value compromises to such structures (Nyberg and Wright, 2012).

Conclusions and implications for organisations

Situating work

This chapter demonstrates discursive work's importance to shaping and evaluating *situations* within complex, pluralistic organisations. It notes how practices involved in **attaining**, **constructing possibility** and **reconfiguring** shape situational elements drawn from EW theory. Combined, these comprise **situating work**, a counterpart to the 'justification work' organisational EW often analyses (Jagd, 2011).

The chapter's central contribution is to conceptualise and model **situating work**. EW literature generally analyses justification work occurring within a pre-existing *situation*. Conversely, **situating work** precedes and shapes that *situation*. Others highlight how material efforts can alter situations (Dionne et al., 2019; Gond et al., 2016) or how broad ideological 'regimes' contextualise disputes (Boltanski and Chiapello, 2005; Nyberg et al., 2017). However, EW has not previously focused on and specifically theorised the **situating work** discursively shaping specific situations.

Doing so is essential to EW's ability to analyse situations like austerity. With situations increasingly textually mediated, neglecting how material circumstances are shaped leaves us as far from understanding as neglecting those circumstances themselves. Austerity exemplifies such discursively mediated and contested situations (McCann, 2013).

Yet this is relevant beyond austerity. *Situations* are necessarily selections and perceptions of circumstances. Few – if any – *situations* are wholly sensorially experienced. Wise to this, Boltanski and Thévenot (2006, pp.139–140) reject the idea of a “pure situation” unrelated to

any report'. Yet EW has previously lacked an analytically and conceptually rigorous approach to this discursive shaping. Without conceptualising discursive **situating work**, EW struggles to explain where its *situations* come from.

This chapter's detailed model elaborates the concept of **situating work** (Figure 11.2), highlighting the practices involved. First, the *situation* must be ossified through practices like **attaining**. *Situations* are selective, structured cross-sections of life. These do not simply occur but are made by selecting what matters and 'arraying' it to clearly relate its components. Unlike previous EW work, this paper recognises the necessity to this process of discursive work and highlights linguistic techniques associated therewith (Table 11.1). This ossification is key to any justificatory dispute. We as researchers should therefore seek such work whenever applying EW and beware the ossifying we do when describing the *situations* we analyse.

This **situating work** model also highlights the **construction of possibility** through *realis-irrealis links*. EW generally describes tests as evaluations of how well an object of evaluation currently fits a chosen justificatory *principle*. Yet another question was important to our disputes: whether objects of evaluation could genuinely comply better with said *principles*. Condemning an organisation for its inefficiency or poor structures seems reasonable only if it could be more efficient or better built. We describe participants' discursive efforts to embed such '*irrealis*' possibilities of better performance in present-tense *situations*. Considering how *realis-irrealis* links are forged enables EW's situated approach to explain people's considerations of whether an organisation could be better.

Finally, our model highlights **reconfiguring quality**. Unlike grander attempts to describe hierarchies of societal values (Nyberg et al., 2017), this chapter highlights how texts respond to contextually specific multi-value *situations*. Vitally, it observes that these shifts rely on the visions of what is possible described above: different *realis-irrealis links* support different *modifications of value relations*. It therefore reveals both the discursive techniques involved in constructing value compromises themselves and the wider discursive contexts on which they rely. This deepens our understanding of how values are combined, better differentiating the ways people address such multi-value situations, including through wholesale de-valuation.

These **situating work** practices substantially improve EW's ability to explain how its situations are discursively shaped. Considering only how material circumstances shape said situations risks omitting work vital to the outcome of disputes. EW studies should routinely consider how the situations they analyse are discursively shaped.

Healthcare austerity discourse and organisational management

While this chapter aims to demonstrate the general relevance of **situating work**, it also highlights insights into austerity discourse in UK healthcare. First, the form of *situation* which national discourse emphasises is consistently a *market* crisis, achieved by constructing healthcare organisations within a troubled macroeconomy. This emplacement echoes the narratives of existential crisis found within organisations. Similarly, it is consonant with their drawing boundaries of varying sizes around their own organisational *situations* to enable these narratives (see p.160). The way national discourse constructs the *situation* coheres with organisations' approaches.

Second, there is a strong emphasis within the discourse on not simply suggesting 'savings' are possible but specifying concrete 'savings' latent within organisations. Such objects, like those identified through *Carter* and its associated datasets were often directly delegated to organisations, as Thyme's narrative highlights. While useful to Government, these discourses cast savings as unduly guaranteed within organisations, promoting excessive optimism. Organisational confusion was the price of Government rhetoric.

Finally, the practices elucidated here were changeable across the period. As illustrated best by the changes in how healthcare quality was considered, discourse rapidly transformed as opposition rose and circumstances changed. Conceptions of quality and associated narratives about what was possible changed, precipitating growing uncertainty. Such changes affected not only Government rhetoric but also policy, creating a still-more unstable environment for organisational austerity management.

Moving on

This chapter offers important lessons for future research. Identifying discursive *situating work* emphasises that EW analyses which take given *situations* as their starting point risk seeing only half the dispute. Indeed, even efforts to materially shape the *situation* (e.g. Dionne et al., 2019) will be discursively mediated. Future work could combine Jagd's (2011) 'justification work' with this chapter's 'situating work' to provide a rounded model of situated justification; or examine the interrelations between material and discursive **situating work**. Meanwhile, studies of austerity discourse tend to offer fairly static accounts of such ideologically charged narratives (e.g. Z. Morris, 2016; O'Brien, 2013). Consequently, such representations' instability is rarely considered. Yet it is important to organisations working under such regimes and attempting to adjust to discourse's policy cues. This discursive instability deserves further study.

Chapter 12 begins this effort. So far, this thesis has elaborated the empirical context of such organisations and the national level, using the latter to theorise **situating work**. Chapter 12 builds on this to consider a context in which thus situating oneself becomes exceptionally difficult: organisational austerity management.

As the thesis progresses the current chapter's insights play two roles: first, the thesis draws on the idea of situating work as integral to organisational life; second, it draws on the account of national austerity discourse elaborated here. This enables further chapters to build from premises which prove vital to understanding organisational life under austerity.

Chapter 12: 'Looking again': opening and closing one's eyes

Introduction

This chapter and the next theorise organisations' responses to austerity, covering all practices Chapter 10 identifies. This chapter focuses on how organisations understand and manage austerity's uncertainty; the next on how they deal with its complex evaluative landscape. In considering austerity's uncertainty, this chapter engages with a particularly problematic instance of the 'situating work' Chapter 11 identifies. It does not rehearse Chapter 11's demonstration that such situating work is perennial and important. Instead, it considers how difficult this shaping of circumstances into coherent *situations* becomes under given austerity's profound uncertainty.

The cases presented here highlight uncertainty as ubiquitous under austerity. Organisations attempted to manage this uncertainty through normal means: budgets, savings plans and the *compromises* constituting their organisational values. Yet austerity required financial targets so 'ambitious' that such efforts were doomed. They contained uncertainty only transiently and, when they failed, discredited the tools they used. Understanding austerity management means understanding severe, plural uncertainty and its impact on organisations' uncertainty management techniques.

Many would be unsurprised to learn that austerity presented profound uncertainty. Writers highlight that austerity pressures prompt people to strategically shape reported data (Ferlie and Judge, 1981; Rubin, 1977; Schmidt et al., 2017; Davidson and Ward, 2013). It is implicit in others' writing that savings classifications become unreliable (Hastings, Bailey, Bramley, et al., 2015). Others note that budgetary pressure can severely complicate planning (Caiden and Wildavsky, 1980). Uncertainty is an established, albeit not major, theme in austerity management writing.

These fragmented observations generally treat uncertainty as an outcome or unavoidable contingency of austerity. Yet uncertainty is a constant, austerity or no (e.g. Calnan et al., 2017; Thévenot, 2001a). Organisations prosper not because their worlds are wholly predictable but because they manage uncertainty effectively. To understand uncertainty's impact under austerity, we must understand why those usual strategies seem to fail.

Thévenot (2002a) shares this interest in uncertainty. For him, uncertainty is an inevitable feature of the world. Therefore, we develop *conventions*: understandings which mitigate uncertainty by helping predict how one another will respond to certain *situations*. Without them, the myriad possible ways people might respond would become overwhelming, making

action and coordination prohibitively difficult. Founded on a recognition of the importance of uncertainty and the devices we use to manage it, Thévenot's *conventionalism* is apt to theorise these features of austerity (Diaz-Bone, 2011; Wagner, 1994).

Consequently, this chapter adds to the austerity literature by conceptualising austerity management through RE and its focus on uncertainty. It thus attends to Thévenot's (2009) observation that *conventions* and their associated devices can never wholly avert uncertainty. Rather, because *conventions* are always somewhat arbitrary, we are constantly able to '*open our eyes*' to this arbitrariness even as we can '*close our eyes*' to use those *conventions* as reliable coordinating devices. *Opening and closing one's eyes* proves a valuable concept with which to theorise the annual changes observed in these sites.

Yet applying to austerity this distinction between *opening and closing one's eyes* also highlights the concept's comparatively limited development. While Thévenot insightfully identifies that one may *open or close one's eyes* to *conventions*' arbitrariness, he says little about when these two orientations occur. Nor does the literature consider the work involved in executing such a change. This chapter extends the RE framework by theorising the patterns of *opening and closing of eyes* occurring in different circumstances.

Thus developed, the framework theorises austerity management, foregrounding the uncertainty against which people struggle, and the devices with which they do so. It emphasises the vicissitudes of the financial year which precipitate a cycle of *opening and closing one's eyes* as compliance with formal budgetary targets and attendance to concrete circumstance are alternately prioritised. Yet it notes that this cycle does not affect all staff equally, causing conflict between those seeing the *situation* differently. Understanding one's situation and the normative compromises in which one is engaged becomes exceptionally difficult.

Uncertainty and austerity

Austerity is a time of not only reduced resources, but also profound uncertainty. Austerity characteristically arises during economic and political instability, making future resource allocation uncertain. It also sees a sector's internal resource allocation destabilised: as one's partners become poorer, they may become less prone to share, and more likely to seize resources. As organisations seek unprecedented savings (Comptroller and Auditor General, 2012), they lack empirical bases on which to estimate their likelihood of success: their internal financial fortunes become decreasingly predictable. Under austerity, uncertainty can be as challenging as financial scarcity.

Simultaneously, one's savings monitoring mechanisms become less reliable. Under extensive pressure, and in times of job losses and restructures, managers are keen to report favourable outcomes. Consequently, writers have observed that the data reported under austerity can be strategically shaped (Rubin, 1977). One becomes less sure how one's decreasingly certain savings efforts are progressing.

Uncertain situations are inevitably difficult to manage. Financial scarcity entrenches this, with fewer resources available to analyse one's situation (Levine, 1978). Even where short-term plans are made, they are continually subject to disruption by changes in spending rules prompted by Governmental anxiety about deteriorating sectoral finances (e.g. Simpson and Barker, 2017). Organisational planning becomes difficult.

Uncertainty is not only financial. Theorists studying 1980s austerity recognise that budgetary uncertainty can disrupt coordinative routines (Caiden and Wildavsky, 1980; Ferlie and Judge, 1981). The informal agreements enabling cooperation in times of plenty are pressurised as departments compete for resources. Those departments find it harder to anticipate likely priorities, as organisations' plural objectives increasingly conflict (Pandey, 2010). With individuals worried for their futures, such uncertainty can become acrimonious.

As the above demonstrates, the austerity management literature considers uncertainty, but briefly. Its consideration has been fragmentary: associations between the uncertainty causing organisational 'planning blight' and those making staff feel insecure (Levine, 1984) are unexamined. Nor does it analyse how organisations manage this rising uncertainty.

Yet these cases demonstrate uncertainty's centrality to austerity management. During fieldwork, I heard repeated complaints about the uncertainty people faced, whether because of delays confirming national budgeting rules, or 'very ambiguous' internal processes. The dynamics Figure 10.2 describes highlight uncertainty as central to austerity management. Analysis of managing austerity's uncertain *situations* is overdue.

Uncertainty and the *regimes of engagement*

Thévenot's (2001b) approach is well suited to such an analysis, as it focuses on uncertainty as pervading social life. For Thévenot, life is always uncertain because one cannot predict our actions' consequences: we know neither how the world will respond, nor how others will react (Boltanski and Thévenot, 2006; Thévenot, 2001b). This 'natural' uncertainty (Thévenot, 2002a) gives life the character of a series of *interventions* which the world *resists* (see Chapter 3). Receiving such *resistance*, one adjusts one's *intervention*, tailoring it to receive the desired

results from others and one's environment. Through such gradual changes, coordination emerges.

Over time, such gradually developed coordination solidifies into the *conventions* or *engagements* Thévenot describes. This is just as well: absent these devices which short-cut coordination, social life would be incredibly difficult. *Conventions* make *situations* approachable because we have a sense of the *situation* we are in, and faith that others share that sense. That shared sense of the *situation* and the way of acting appropriate to it enables coordination.

Conventions, and the *regimes* of which they are part are thus vital to managing 'natural' uncertainty. Yet they cannot banish uncertainty altogether. Thévenot (2002a) also describes 'critical uncertainty', which springs from an inability to agree the *convention* befitting the situation. This possibility does imply a *convention's* dysfunction, but is inherent to *conventions* per se. Thévenot (2009, p.797) observes that 'conventions are structurally two-faced', entailing both the security of a reliable guarantee and an arbitrary agreement's fragility. Once invested in, *conventions* can convey 'quietude': the comforting reliability of an accepted process. Yet this involves 'a necessary sightlessness' to the possibility of other only-equally-arbitrary modes of coordination. Thus the *convention's* second 'face' is that of 'inquietude', the sense that the convention possesses a 'conformist, formulaic and inauthentic arbitrariness'. Both orientations to *conventions* are constantly available.

Closing one's eyes is the normal way we approach *conventions-in-use*. We do not experience significant unease about the *convention*, but get on with using it to coordinate (Thévenot, 2009). This is neither under-reflective nor representative of one's ideological subjugation. Rather, it is the way we benefit from *conventions*. Constantly questioning them would rob us of the 'quietude' characterising this period and stop us benefitting from *conventions'* coordinative powers.

Opening one's eyes engages with the 'inquietude' that comes with recognising *conventions* as arbitrary. Thévenot (2009) tells us that it is a necessary component of initially forging or subsequently challenging *conventions*. Where *closing one's eyes* enables us to use a convention, *opening* them creates uncertainty about that *convention*, presenting it not as the only way to handle a *situation* but as one of many potential approaches.

These are valuable concepts in understanding the orientations of our organisations to their coordination devices, like budgets and normative *compromises*. Yet Thévenot's account

thereof is comparatively limited. We know little about when, how and why these different orientations occur. Instead, we know that *opening and closing* can occur separately or in close alternation in a formation known as ‘blinking’ and that this is present in models of regulation based around regulatory objectivity. However, this is presented as an isolated observation not a thoroughgoing account of when and in what formations such behaviours obtain (Thévenot, 2009). Boltanski and Thévenot (2006) theorise that critique or movement between *worlds* entails opening one’s eyes. But empirical evidence on the types of environments likely to prompt such movements is scant.

This comparatively limited account of when these orientations to *conventions* occur may spring from Thévenot’s commitment to treating them as agential choices, not deterministic consequences of the context. Yet recognising people’s agency need not prevent our wondering when, how and why they tend to make decisions. Thévenot’s approach gives us valuable concepts with which to understand our cases. Simultaneously, those cases should be valuable empirical grist to the theoretical mill in helping us understand the circumstances in which each of these orientations to *conventions* arises.

Managing uncertainty under austerity

Organisations in this study experienced extreme uncertainty. To manage this, they deployed devices which traditionally manage financial – and associated normative – uncertainty. Yet the budgets, savings objects and organisational values they deployed stretched to fit austerity’s financial demands. Over time, this damaged those objects themselves, increasing uncertainty.

This section theorises organisations’ difficulties managing austerity’s uncertain *situations*. It draws on the practices most associated with such *situations* and the devices through which organisations understood them: **attaining tenuous futures**, **constructing possibility** and **reconfiguring quality**. It does so with reference to the idea of *opening and closing one’s eyes*. This theorisation is reported in five subsections that cut across these practices, highlighting their similarities and interactions.

Myriad uncertainties

Organisations under austerity experience extensive uncertainty about both their current situations and their continued existence. Austerity presents rapid policy changes from nervous Governments (see Appendix 3) and complex, fragile organisational financial arrangements: no wonder that understanding one’s *situation* is hard. Our organisations thus invested extensive material and discursive effort in **attaining tenuous futures**, a key element of which was constructing an image of their financial situations. Prodigious work attempted simply to

understand the ‘financial position’; continually tracing myriad initiatives and circumstances represented a substantial investment to mitigate uncertainty.

Yet austerity presents more than simply a heightened version of the uncertainty common to all situations. These difficulties in describing organisations’ *situations* fuel a wider sense of jeopardy about their future. Under austerity, organisations find creating viable financial plans difficult. While perhaps rather dry and technical to outsiders, within organisations budgetary plans are not only allocations of resources: they are the prime method by which organisations plan.

Thévenot (2009, p.803) observes that *planning* is the regime directly associated with ‘project[ing oneself] successfully into the future’. Through planning, one can not only pragmatically direct one’s action towards goals, but also thus identify and attain an image of one’s continued existence. By implication, a deficit in planning – like that caused by budgets not adding up – threatens this future projection. Tellingly, managers described financial deficits in terms of their ‘sustainability’ or next financial year becoming ‘un-do-able’. The future was in jeopardy.

Austere governments are unlikely to simply allow organisations to achieve whatever financial outcomes they choose. Increased regulatory intervention is likely to reinforce the sense that a balanced budget is a prerequisite for organisations’ independent futures. Cases described increased NHSI intervention in financially failing organisations. Tellingly, senior managers’ concerns about regulatory intervention invoked losses of ‘autonomy’ or regulators’ characteristic ‘short-termis[m]’. Budgetary deficits jeopardised organisations’ continued existence as agents and their ability to project themselves into long-term futures.

This existential jeopardy related to individuals too. Senior staff experienced their own positions as precarious. As one interviewee observed:

What’s slightly changed at national level is, to put it bluntly, people now get sacked when they don’t make the money stack up. Five years ago, ten years ago, you only got sacked if you had back clinical outcomes...And there’s been some high-profile sackings, resignations-slash-sackings that reverberate around.

Organisations and individuals faced existential imperatives towards creating budgetary plans that ‘add up’. Cognitively, they must be able to project themselves into the future by creating viable *plans*. Pragmatically, Government and regulatory intervention is otherwise a real threat.

Individually, financial failure may risk senior managers' jobs. All this threatens organisations' ability to project themselves into an autonomous future.

Managing budgetary uncertainties

In the first instance, organisations attempt to manage such uncertainty through their normal means of creating budgets that 'add up': that is, by **attaining tenuous futures**. Such processes rely on measurement instruments like budgets and 'bridge charts'. Sites used bridge charts' visual metaphor to translate inchoate, unstable financial circumstances into simple, static 'building blocks'. This made the financial situation approachable and increased the sense that it comprised distinct, divisible elements whose aggregation predicted a reliable future. That is, it *formatted* the financial situation in a way which helped create *plans* projecting organisations into the future. Such *plans* help assure organisations their futures are safe and satisfy regulatory demands for acceptable budgets (control totals, see p.327). Numbers adding up is reassuring.

Yet under austerity, budgetary numbers rarely 'add up' spontaneously. Rather, as the closing months of Dryas and Thyme's cases demonstrate, reporting compliant overall sums becomes a 'tactical decision'. In acknowledging the decision's 'tactical' nature, organisations are explicitly *opening their eyes*, noting financial measures' arbitrariness. Gaps in the plan are filled as necessary, including through 'paper' savings or otherwise questionable devices. Managers invoking 'tactical' decisions understand that their decisions are about how to *report* finances, not about the likely financial consequences of concrete organisational activity.

For a time, *opening their eyes to conventions'* arbitrariness reduces organisations' uncertainty: a coherent *plan* has been created, and Government demands satisfied. But these plans are not only for show: they are key to coordinating organisational activity. They enable and justify enforcing and monitoring divisional savings obligations. But they can do so only if they are treated not as arbitrary, but as natural and accurate representations of organisational phenomena. Managers must *close their eyes* to the possibility things could just as easily have been coordinated differently.

Yet this seems difficult while *uncertainty* remains about how such ambitious budgetary totals can be filled. Accordingly, organisations need to seek savings matching their plans. This becomes harder as austerity proceeds. Most likely, austerity's early years consume any sure-fire savings which do not jeopardise service quality. Consequently, the budgetary objects available to fill gaps become more complex and contentious. Characteristically, this study's

organisations used three approaches to deal with this uncertainty: i) accountancy devices, ii) savings objects and iii) contentious changes.

The first involved presentational and categorisation changes in budgetary data: shifts in the budgetary practices associated with **attaining tenuous futures**. These ‘accountancy devices’ avoid concrete changes in organisational practice by instead altering the relationship between concrete practices and reported financial outcomes to create more favourable reports or predictions. That is, they are changes in measurement devices not mirrored by changes in concrete realities.

Austere organisations use such devices extensively. Within the UK, they have been central to austere healthcare accountancy (Gainsbury, 2017). But they are finite: one can improve reported budgetary outcomes by only so many presentational changes. And they are generally short-term, bringing benefits for one year that must then be replaced with more concrete measures to prevent the supposed saving disappearing. They only defer requirements for substantive savings. Yet temporarily, they create apparent savings not requiring organisational change.

Such accountancy devices contribute to the *opening of one’s eyes* characterising the start of the financial year. To utilise one is to recognise that accountancy’s relationship to reality is somewhat arbitrary, subject to ‘tactical’ adjustment. Yet once included in the budget, these devices reduce the tension between that budget and one’s ability to fulfil it: for this year, at least, part of the ‘gap’ is filled. The reported budget’s arbitrariness thus becomes less visible. Once created, accountancy devices help managers once again *close their eyes*.

Organisations’ second approach to addressing this is through creating savings objects. Facing ‘gaps’ in budgets, organisations naturally yearn for something substantial to ‘fill’ them. This desire is amplified by a national discourse frequently emphasising the ‘identification’ of apparently concrete savings objects (see Chapter 11). Chapter 10 details how **constructing possibility** creates the ‘substantial’ savings objects ideally suited to this task. These devices contain the uncertainty formerly evident in budgetary processes in discrete, packaged-up savings delegated to divisions and given the appearance of solid, reliable objects.

Our organisations were subject to national rules requiring such savings be reported – and a certain proportion marked low risk – when budgetary submissions were made. Consequently, the logic behind them was at least partly of budgetary compliance, not financial prediction: this formed part of the pattern of *opening one’s eyes* described above. Yet constructed as

physical objects, they seemed more substantial than the raw budgetary headlines reported to regulators. Organisations' complex, detailed monitoring and measurement tools contributed to that apparent solidity. This helped organisations once again *close their eyes*, seeing these savings objects as if they were real, reliable savings waiting to be 'realised'.

The third strategy often overlapped with the second. It involved modifying organisational values to accommodate proposed savings. Organisations under austerity can rarely restrict themselves to savings according with their values. Thévenot highlights that organisations tend to be built on normative compromises between multiple values. In healthcare, such a balance is often between financial and *civic-world* quality objectives (Boltanski and Thévenot, 2006; Thévenot, 2001a). Such *compromises* formed in normal times may be poorly configured for austerity.

However, such compromises are defined loosely (Boltanski and Thévenot, 2006). While such loose definition is normally explained in terms of avoiding making explicit the conflict between ultimately contradictory values (see Chapter 3), it also lets people adjust that *compromise* with changing *situations*. Here, the compromise built around the idea of healthcare 'quality' was progressively modified (**reconfiguring quality**) to accommodate savings which might once have jarred with organisations' normative precepts. This practice involved modifying what was meant by quality to justify otherwise contentious savings. Managers *opened their eyes* to the flexibility of their organisation's quality *compromise*, shifting its definition to make more savings compatible therewith. Once established, these new savings helped reduce uncertainty about how budgetary totals would be attained, *closing managers' eyes* to that budget's arbitrariness.

Each of these strategies – embodied by **attaining**, **constructing possibilities** and **reconfiguring** respectively, help austere organisations manage short-term uncertainty. Facing multiple ultimatata to create compliant budgets, austere organisations *open their eyes* to such initial budgetary decisions' arbitrary or 'tactical' nature. This is effective in its immediate purpose of budgetary compliance but creates problems when people must *close their eyes* to use the budget for coordination. Techniques like accountancy devices, savings objects, and reconfiguring organisational values help construct apparently reliable savings. These make overall savings totals more 'real', reducing uncertainty and enabling managers to *close their eyes* once again.

Stores of uncertainty

Yet 'packaging' away this uncertainty is not resolving it. As budgets, savings objects and quality compromises stretch to make required financial totals 'add up' they lose referentiality to real-world objects. The prominence of accountancy devices in our sites highlighted this trend.

These meant that budgetary outcomes had progressively less to do with the stuff of organisational life. Austerity's pressure drives objects which measure, forecast and plan spending apart from the concrete activity they notionally describe.

This stores up problems for the rest of the financial year. Managers face extensive *resistance* when try to make real the savings encapsulated by such plans. As Thévenot (2001b) describes it such *resistance* comes not only from other actors, but from the world itself. *Resistance* is a normal feature of life, simply characterising the response one receives to one's interventions. But when severe, it can undermine such interventions. Under austerity, such *resistance* becomes greater as the financial year wears on and attempts to reconcile espoused budgetary *plans* with organisational reality become more ill-fated.

Budgetary objects fashioned through **attaining** face *resistance* from the world when their optimistic savings plans must become actual financial outcomes. When our organisations attempted to 'realise' their 'ambitious' plans, the gap between budgets and reality became apparent. As staff attempted to make improbable savings, it became difficult for financial plans to remain stable. Plans went significantly off-track, resulting in each organisation modifying those plans. The uncertainty those plans had initially contained returned.

As time went on and such plans seemed increasingly daunting, staff themselves *resisted* those plans' use. Staff held to increasingly challenging financial plans questioned those plans' realism. This tension was expressed when one division was missing its targets towards the end of the year. In a passage analysed on p.102 for its relevance to financial tests, a manager begins to question the meaningfulness of the budget itself:

Achieving balance was 'always going to be very tough', they said, conceding that they had 'underperformed'...However, 'is the budget appropriate? I'm not sure we bottomed that out'. 'Again, it's not an excuse', they added, as the central manager pursed their lips. (Fieldnotes paraphrase)

As the fuller analysis above highlights, the budget here is now treated not as a fact, but as one of many budgets that could have been set. Having struggled to meet the required budget, this manager instead *opens their eyes* to that budgets' relativity, prompting central managers' evident *inquietude*. While this did not wholly mitigate the criticisms made of this division, it

illustrates the propensity for *resistance* from staff over the financial year, and how this can cause *eyes* once again to *open*.

This possibility is not limited to budgets themselves. Savings objects created through **constructing possibilities** are similarly vulnerable to losing referentiality. Because those savings objects initially arise to fill budgetary necessities, their contents are always defined as much by budgetary arithmetic as connection to realities. This disconnect was epitomised by the 'unidentified CIP', an increasingly common budgetary object. It denoted frequently significant savings ambitions unassociated with any plan. Yet it inhabited the same 'bridge charts' and CIP Trackers as more substantive plans. Such objects were far from guaranteed to materialise.

Accordingly, savings objects forged through **constructing possibility** also meet significant *resistance* as the financial year continues and they become due to deliver espoused savings. These hypothetical savings represented as already-existing objects merely requiring 'realisation' face *resistance* from the world. In our sites this manifested as the realisation that some savings objects were in fact 'empty'. Over time, their ability to package budgetary uncertainty proves temporary.

Nor will such savings objects be neutral in organisational life. For those allocated savings to make, they become obligations, potential future negative evaluations. Use of such objects thus faces *resistance* from staff as such evaluations approach. During one meeting, a manager queried allocated savings responsibilities because circumstances they had been 'predicated' on had changed. This manager was thus urging others to *open their eyes* to such savings objects' arbitrariness: they are not real but based on contextual, defeasible logics.

Reformulations of organisational values achieved by **reconfiguring** are similarly likely to meet *resistance*. While *compromises* offer latitude for redefinition through their vague formulation, austerity is a radical contextual change. Compromises designed under prosperity are unlikely to wholly weather its storm. The redefinitions of quality which **reconfiguring** creates probably push definitions further than some find comfortable.

These ethical changes may be too subtle to prompt outright disputes. Rather, our sites showed a growing unease among many about the changes in the quality compromises in which they were implicated. Often expressed as anxieties about the 'direction of travel' or euphemisms used around shifts in quality, this unease signalled a growing uncertainty about prevailing

compromises. This unease was associated with unspoken objections, less than wholehearted commitment and ambivalence about organisations' priorities.

Even the use of mutually agreeable quality compromises could face *resistance* from the world. Representing the relationship between quality and cost in a given way can legitimate savings meeting certain normative criteria. Yet this is useful only so long as the context enables savings opportunities meeting that description. As contexts changed, representations of quality changed with them. Initially, savings that helped both quality and cost were sometimes legitimised (blurring quality and cost). This was effective at justifying such savings. Yet over the year, such 'win-win' opportunities dried up. With financial gaps remaining, it was necessary to tweak such quality compromises, seeking 'unpalatable' savings. Such tweaking required managers to once again *open their eyes* to the arbitrariness and changeability of such quality compromises.

The devices constructed through **attaining, constructing possibilities** and **reconfiguring** initially helped managers *close their eyes* to budgetary goals' arbitrariness. Yet they did so at the expense of losing referentiality to concrete phenomena. Thus their use to plan and govern concrete activity faced extensive *resistance*, from a world they poorly described and staff who rejected the standards to which they were being held. These devices had not solved, but temporarily contained budgetary uncertainty. As this became clear, managers were forced to once again *open their eyes*. These devices' foreclosure of the *inquietude* of budgetary arbitrariness was temporary.

This *opening* and *closing* of eyes adopts a cyclical character. During budgeting, senior staff must *open their eyes* to conventions' arbitrariness to meet the *tests* of budgetary arithmetic (**attaining tenuous futures**). This was the phase in our sites during which budgetary plans stretched feasibility, 'unidentified CIPs' filled gaps and quality was reformulated to enable 'unpalatable' savings. **Attaining, constructing possibilities** and **reconfiguring** join to reconfigure the meanings of these *conventions*: senior budgeters *open people's eyes*. Yet as time continues, managerial *eyes close* once again so that budgets, savings plans and normative principles can be used to coordinate work. When solidified, the accountancy devices, savings objects and compromises described above help managers *close their eyes*.

For a time, this may work well. Yet with austerity's demands so great, *resistance* progressively grows. Through people's and the world's resistance, it becomes clear that financial objects are far from financial realities and that normative compromises are open to debate. During this period steps may be taken to preserve existing plans by keeping them aligned with realities, as

when Thyme used reserves to realign its ailing plan with observable outcomes. However, fulfilling budgetary targets and creating compliant plans for the following year eventually requires senior staff to once again *open their eyes* and focus on reported – as distinct from concrete – outcomes.

Figure 12.1 illustrates this dynamic. Sometimes, most senior managers acted consistently with their *eyes open*; at others, consistently with them *closed*. At others, a more mixed picture was observed in which orientations were varied, changeable and sometimes involved ‘blinking’. The vertical position of the arrow represents the tendency towards *eyes opening* or *closing*. The dotted line represents a feature found in two of three organisations, in which mid-year rebudgeting occurred early in the financial year. This included a partial shift back towards the *opening of one’s eyes* characterising the main budgeting cycle. Organisations under austerity face consistent drivers requiring senior managers to *open and close their eyes* over the financial year.

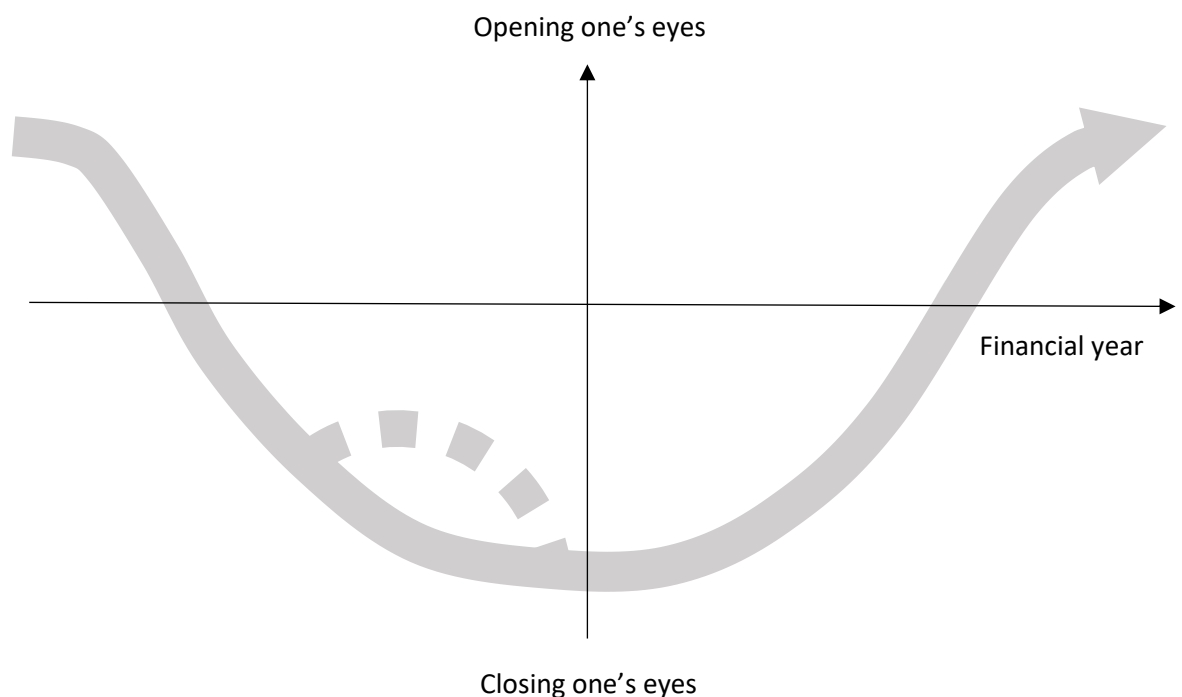


Figure 12.1 – Opening and closing one’s eyes among senior budgeters

Seeing the cycle from outside

Yet this annual change between *opening and closing one’s eyes* does not affect all staff symmetrically. Senior budgeters are most prone to these alterations between states. Their heightened connection with the budgetary process, and the risk of personal consequences if

things go wrong makes them most likely to respond vigorously to the changing budgetary imperatives described above. Thévenot (2009, p.797) also observes that those who create *conventions* are united in a shared 'awareness of arbitrariness that, in another moment of confident adhesion, should be forgotten'. Such 'secret societ[ies]' seem likely to be particularly aware of *conventions'* dual states, and able to move between them (c.f. Boltanski, 2011). Senior budgeters are most likely to follow Figure 12.1's dynamics.

However, other staff do not simply retain a blind faith in these *conventional* objects. More rooted in day-to-day service provision, they are less embroiled in budgeting, and have a greater sense it should reflect the concrete realities of their daily work. They observe a landscape of rapid change in which savings targets once treated as concrete necessities are suddenly solved with a bailout or 'paper' measure. Predictable annual changes in managers' orientations to objects like financial instruments and normative compromises make those objects seem less stable.

These changes in orientation often mean changes in the objects themselves. As our sites' plans came under strain, managers amended or replaced them to avoid criticism and keep them realistic. Thus were CIP risk ratings tweaked, or accountancy devices like bailouts used to fill the gaps in ailing budgets. This can keep plans feasible and objects linked to reality. But it makes it harder for staff to see them as stable, 'real' requirements. Staff lost trust in our sites' savings requirements which instead seemed so much 'smoke and mirrors'. They got used to annual cycles in which mid-year predictions of 'doom and gloom' preceded acceptable year-end outcomes achieved through such artificial devices. Those outside organisations' central budgeting teams grow wise to Figure 12.1.

Whereas senior budgeters are focused on the budgetary task at hand, those beyond these teams see the budgeting process from a greater distance. This leaves them increasingly aware that senior managers variously treat these financial devices as arbitrary and real, fissile and fixed over the year. This led sometimes to critique but often simply to a blurry disconnection from *conventional* objects expressed through irony or dark humour. They became aware of the multiple ways such objects could be oriented to at different times.

This is comparable to 'blinking' – a simultaneous awareness of both faces of a convention (Thévenot, 2009). But whereas 'blinking' sounds like the two faces are crisp and distinct, here they seem blurred together. They are not two neatly differentiated ways of seeing a convention available to one in the present, but the gradually altering orientations to expect

over the financial year. This meant that either orientation to such objects, whether as arbitrary or real, was itself relativised by the history and expected future of other orientations.

Figure 12.2 illustrates this dynamic. It overlays onto central budgeters' changing orientations to financial objects a gradual widening of others' perceptions of said objects as they grow accustomed to this cycle. This highlights the increasing divergence between budgeters' and others' orientations to these objects. This disjuncture enables significant disputes between these groups, who see their financial *situations*, savings possibilities and normative compromises differently.

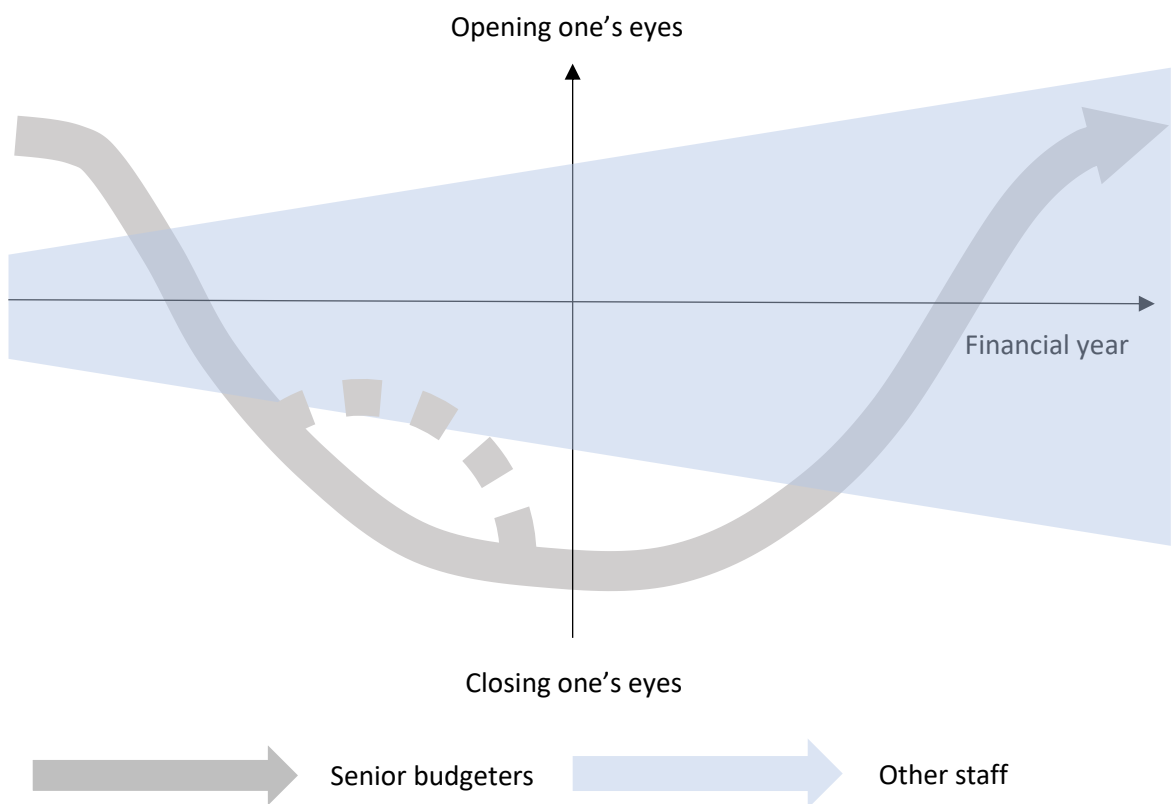


Figure 12.2 – Opening and closing eyes across financial year

This is a problem for senior budgeters. Responding to austerity's imperatives, they rapidly change their orientation to the financial conventions which help them grasp reality and coordinate action. Yet others do not change their orientations similarly. Rather, they stand outside these rapid changes and observe them as an annual pattern. From that perspective, the *conventional* objects senior budgeters often treat as real and stable become predictably mobile. Budgetary objects no longer created consensus pictures of the financial situation.

This is an unusual form of *resistance* for an engagement to face. Usually, we think of *resistance* coming from others, or the world itself. Here, however, resistance comes because of the

history of cyclical change within an engagement. A budgeter may say savings are vital, but staff have heard it all before. Used to similar claims, they know she will be offering bailouts soon. To cast this as simply *resistance* from others, or from the world, is to omit the influence of this engagement's history. As their cyclical change is understood and predicted, engagements like **attaining, constructing possibilities** and **reconfiguring** face *resistance to themselves across time*.

Responding to resistance

If senior budgeters rely on colleagues to make savings, dissensus about the financial situation is deeply problematic. In our sites, senior managers often interpreted this difference in terms of junior colleagues' lack of understanding. Accordingly, they routinely attempted to demonstrate the situation's severity by depicting their organisation as embedded within financial jeopardy. It was thus that **attaining tenuous futures** came to involve not only budgeting work but discursive efforts to construct the situation as desperate.

It was notable that the urgency described did not seem to vary with organisations' actual likelihood of financial failure. In the least and most financially stable organisations alike, the stakes sounded existential: savings were necessary to 'keep...us alive' (Aloe); 'if we sink, the NHS is sunk' (Thyme). Chapter 6 details this discourse of existential threat (p.190). By presenting that *situation* as an emergency, managers attempted to make it urgent enough that others must engage with it.

However, this tone of desperation only reinforced situational uncertainty. Like each practice reviewed here, this element of **attaining** also faced significant *resistance*. Some disputed whether threats of regulatory 'henchmen' were genuine; indeed, these threats did not always materialise. And the rhythm of despair and bailouts made it hard to maintain that – this time – the threat was real. In one manager's words, a sense grew organisations were 'crying wolf'.

Not only did this destabilise the *situation*, it contributed to growing frustration in relations between more senior and junior staff. Understanding the *situation* differently, they sometimes saw one another as variously incognisant or dishonest. Coordination became increasingly difficult.

Theorising cycles of opening and closing one's eyes

This theorisation characterises austerity management as a problematic cycle of *opening and closing one's eyes*. As Figure 12.2 illustrates, efforts to avoid uncertainty precipitated a turbulent landscape in which austerity's baseline instability was joined by an annual cycle of

changing perceptions of the *situation*. The Figure highlights the seasonal change which affected **attaining**, **constructing possibility** and **reconfiguring quality** alike over financial years. It also highlights the variance between senior budgeters' and others' perceptions, accounting for disagreement and acrimony.

This cycle renders the *situation* fissile. People understand similar circumstances differently as the budgetary cycle proceeds and eyes are *opened and closed*. With *eyes open* and financial data treated as arbitrary, making budgets add up is easier and the situation seems less desperate. But with *eyes closed* and those data needing to tie tightly to real circumstances, greater pessimism arises. We thus cannot assume that organisations perceive a single fixed 'situation'. Adopting theorists' advice to manage austerity differently depending on the situation (Levine, 1978, 1985; Williams, 2015) could prompt rapid vacillations in management style.

The cycle of *opening and closing* implies not only descriptive but also evaluative differences (Thévenot, 2001b). Savings plans which might have seemed 'do-able' during budgeting might rapidly become 'risky' by mid-year. I do not intend 'do-able' and 'risky' to sound contradictory, but to illustrate the changing evaluative criteria applied. These evaluative differences are most evident when it comes to the transformations of normative compromises over the year. As financial circumstances change, the meaning of an organisational commitment to 'quality' might alter.

This situational and evaluative instability makes coordination particularly difficult. Thévenot's model of *interventions* and *tests* describes coordination as the achievement of repeated adjustment in response to *resistance*. Normally, this coordination is possible because one can expect reasonable stability in the responses received to similar interventions, enabling the gradual tailoring of interventions. Under austerity's environmental turbulence and cycles of *opening and closing*, one instead finds oneself aiming for a moving target. Interpretations of the *situation*, savings objects and normative compromises all become movable, leading people to respond differently to the same intervention over time. Coordination becomes exceptionally difficult.

This is only worsened by the fact that there are multiple inter-reliant variables involved. Coordination would be difficult were it only that data were unreliable (Rubin, 1977) or budgetary processes uncertain (Caiden and Wildavsky, 1980; Ferlie and Judge, 1981). Yet not only *situations* but also possibilities and normative compromises are unstable. Based on the analysis above, Figure 12.3 illustrates their interrelations.

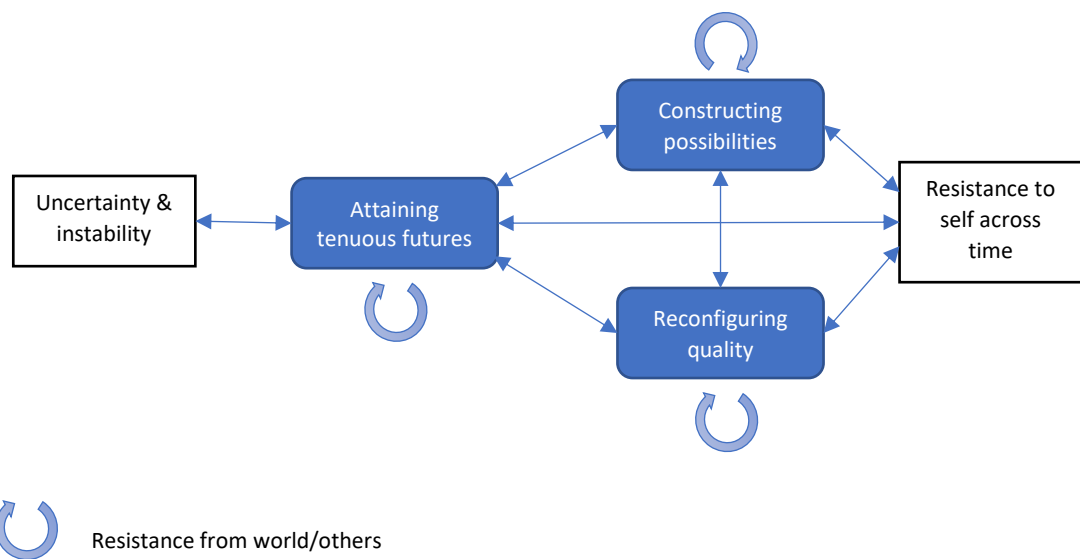


Figure 12.3 – Process model of austerity management as uncertainty management

Figure 12.3 illustrates how **attaining**, in its dimensions of forging budgetary plans and constructing fiscal crises both responds to and fuels uncertainty. It notes the relationship between **attaining** and the practices which it prompts in order to contain the uncertainty inherent in its budgetary work. These practices of **constructing** and **reconfiguring**, alongside **attaining** face the common-or-garden resistance all interventions meet from other people and the world.

Vitally, these three practices act upon interrelated variables. If the *situation* changes, a given normative compromise stops being useful; if a normative compromise is **reconfigured**, certain former **possibilities** become irrelevant; and the loss of such **possibilities** alters the financial *situation*. Cycles of *opening and closing one's eyes* can always cause changes in one of these dimensions, with knock-on consequences for others. Dryas managers quickly re-evaluated savings **possibilities** as their focus turned from budgeting to monitoring and scrutiny (*closing one's eyes*). This contributed to undermining the initial budgetary plan, rendering its hard-won budgetary compromise inviable. The interdependencies of these engagements left the agreements reached through them profoundly fragile.

Over time, such resistance and the vicissitudes of the financial cycle precipitate rapid and predictable change within *engagements*. Each year, members of organisations became used to profound change in budgetary expectations over the year, with 'doom and gloom' preceding acceptable outcomes. This precipitated a longer-term form of *resistance* based on these *engagements'* apparent instability. Rather than being *resisted by the world or other actors*,

these engagements started to *resist themselves across time*. This further destabilises these engagements, further problematising the management of uncertainty.

Conclusion

Austerity and engagements

Writers have previously identified the heightened uncertainty this chapter highlights. Yet they generally conceptualise uncertainty as a variable exogenous to organisational action and peculiar to austerity. It becomes a contingency under which austere organisations inevitably act (Caiden and Wildavsky, 1980; Ferlie and Judge, 1981; Rubin, 1977).

Yet this chapter demonstrates that uncertainty is neither specific to austerity not exogenous to organisational action. Rather, as Thévenot notes, uncertainty is ubiquitous to human life. Its heightened importance under austerity reflects actors' newfound difficulties in managing it. Under austerity, techniques of budgetary management, savings monitoring and normative compromise cease to be effective approaches to managing uncertainty.

Neglecting *uncertainty's* endogeneity to austerity management has led academics to advise practitioners poorly. Levine (1985) encourages managers to use a 'strategic capacity' that sounds much like a conventional strategic management system. Elsewhere, he (1979) wonders why organisations fail to adopt 'strategic' responses to austerity. Yet these 'strategic capacities' are exactly the uncertainty management tools which can become counter-productive under austerity.

Conversely, appreciating *uncertainty's* dynamic role has facilitated this chapter's key contribution. Central to this contribution has been the dynamic between *opening and closing one's eyes*. This is driven by the differing imperatives central managers face across the year, from making early budgetary plans 'add up' to reaching predicted totals. Measurement researchers often characterise people's relationship with metrics as moving from scepticism to naturalisation (Power, 2019; Espeland and Sauder, 2007). Conversely, austerity appears to create a cyclical movement between the two. This destabilises situations' portrayal, organisations' normative compromises, perceptions and evaluations of savings objects.

This instability reflects a pathological version of the *situating work* Chapter 11 discusses. That chapter and this address the same practices, but here they appear far less stable.

Organisational austerity is a *situation* which refuses to stabilise, kept continually in motion by the annual cycle of *opening and closing one's eyes*.

This cycle has implications far beyond the budget. Through the practices investigated here, it directly affects not only budgetary information, but individual projects and even organisational values. Its differential impact on senior budgeters and others precipitates different perceptions of the situation which cause misunderstanding, acrimony and relational uncertainty. Put simply, it undermines coordination.

This insight challenges the static accounts dominating the austerity management literature. These characteristically understand austere organisations through synchronic data (e.g. Jimenez, 2013; Maher and Deller, 2007) or information based heavily around budgetary processes (e.g. Dunsire and Hood, 1989; Hastings, Bailey, Gannon, et al., 2015; Hendrick, 1989). This produces accounts of apparently stable austerity management approaches, and substantially underplays the instability situated actors face. It is through accounts like these that it has been possible to see situations as so simple and manageable that simply taking an adequately strategic approach should suffice (Levine, 1985)

While this insight is partly built on this thesis's processual approach, it cautions against longer-term processual accounts that lack attention to local practice (e.g. Cepiku et al., 2016; Sosin, 2012). While they produce instructive accounts of strategic change, they present misleadingly stable pictures of the austere day-to-day. Unstable rhythms across the financial cycle are absent, characterising austerity managers' working environment as excessively stable.

Instead, this insight echoes Chapter 11's observation of the importance of *situating work* while highlighting the extreme difficulty such work can face alongside organisational austerity. Rather than treating their 'situations' as given, we should investigate how those situations are constructed and how those constructions change over this financial cycle. Rather than according organisations fixed priorities (Leider et al., 2014), we should track the transformations in how they evaluate potential changes over the financial year. Rather than treating uncertainty as a static contingency, we should understand how organisations manage it and the relief such techniques do or do not give.

Finally, engaging more fully with the endogeneity of *uncertainty* allows this chapter to theorise the price of instability. It highlights the risk of *resistance to oneself over time* excessively changeable *engagements* face. When a budget or principle contrasts with its predecessor, this risks relativising it, undermining its ability to remain a reliable means of coordination. When budgets start to *resist themselves over time*, it becomes hard for them to function.

Engagements under austerity

This central contribution is valuable also to RE literature. First, *resistance to oneself over time* is novel and important to a literature founded on a model of interventions in the world and resistance thereto (Thévenot, 2001b). Likely to occur when there are vigorous and predictable changes over time, such resistance need not wholly discredit the engagement involved, but rather temporalises it. People treat financial ‘doom and gloom’ not as an emergency but as a facet of the budgetary season: the fiscal weather is not ‘cold and dreary’, but ‘not bad for November’.

Second, it identifies a processual formation of *opening and closing eyes*. Aside from Thévenot’s observation of blinking, an essentially simultaneous combination of *opening and closing*, such processual patterns of opening and closing have not previously been theorised. Doing so highlights that *opening and closing* can be structurally built into regulatory systems.

Finally, this chapter characterises the *situations* likely to prompt such a cycle by forcing one to *open one’s eyes*. While the *situation* here is austerity, it is not financial scarcity that precipitates *opening of one’s eyes*, but austerity’s regulatory structure. Where regulatory consequences for unacceptable reported outcomes outstrip one’s ability to substantively improve those outcomes, *opening one’s eyes* is likely. This represents a more detailed empirical account of *opening and closing one’s eyes* than otherwise available.

Moving on

This chapter identifies austerity management as a cycle of *opening and closing one’s eyes* aiming to manage radical uncertainty. This opens extensive ground for future research. First, one wonders what organisations might do to avoid, minimise or even utilise such cycles. Further studies could compare these organisations’ practices with those who appear better buffered against such pressure. Second, the UK’s STF regime produces short-term pressures particularly likely to precipitate the cycles described here. Future study could reveal whether alternative policy approaches can avoid such consequences. Finally, it would be interesting to see how far such cycles’ effects stretch. A similar long-term processual lens could investigate annual changes in other dimensions of austerity, like centralisation, staff impacts, or the savings selected.

Simultaneously, this chapter develops the RE model. This opens further research opportunities. First, this study is novel in highlighting patterned temporal changes in orientations to a convention (*open and closed eyes*). Further research here could track comparable shifts in environments with annual regulatory calendars, like periods of formal

inspection. Second, one wonders what more broadly causes shifts from *open* to *closed eyes*. Further work could investigate the trigger points for such changes in orientation. Finally the chapter introduces the concept of *resistance against oneself over time*, but its exploration thereof is limited. There remains extensive scope to understand such resistance and the broader circumstances precipitating it.

This Chapter and Chapter 11 describe a turbulent situation. Government and organisations alike engage in significant, contested *situating work*. Within organisations, this work creates *cycles of opening and closing one's eyes* that compound austerity's day-to-day instability. The management devices which once stabilised organisational uncertainty now perpetuate it. Yet organisations must manage despite these circumstances: they must still determine the right course and create structures to enable it. The practices governing such processes of evaluating action and amending one's structures were coded as **conducting and contesting financial tests** and **reshaping engagements**. Chapter 13 turns to them.

Chapter 13: Evaluative turbulence: austerity management as a struggle for coordination

Introduction: austerity and evaluative turbulence

Writing on austerity management generally asks *how* organisational leaders should – or do – coordinate their work. Yet given extreme instability, we should not presume that effective coordination occurs at all. What might be taken for granted in normal times becomes no longer guaranteed, disrupting organisational routines (Caiden and Wildavsky, 1980; Ferlie and Judge, 1981).

As Chapter 12 affirms, the austere context jeopardises coordination. Austerity brings not only financial scarcity but also profound situational uncertainty. This instability can be both long-term and part of an annual cycle in which perceptions of the *situation* and how to approach it routinely change. Facing such an unstable landscape, organisations and Governments understandably seek to reduce uncertainty. One way they do so is seeking more information about how well they and their subordinates are doing (Breviglieri, 2018; Hayne, 2015; Oakes and Oakes, 2016). This includes both financial information and other performance data, like guarantees that financial pressure is not adversely affecting quality (National Quality Board, 2012). Multiple agencies might request comparable information to meet related, sympathetic but distinct priorities.

While these proliferating and changing standards reassure superiors, meeting them becomes difficult for organisations, particularly given their unstable *situations*. The sheer effort of providing the datasets requested should not be underestimated. Nor should we assume that because metrics share cost-cutting agendas, their ways of assessing them are compatible. Meeting these diverse agendas becomes harder under austerity.

Where Chapter 12 focused on organisations' changing views of their *situation*, this Chapter investigates the proliferating and fissile *evaluations* to which they are subject. Of course, the two are intimately interrelated, and I do not pretend they can be empirically disentangled. But alongside the insights into the instability of perceived *situations*, possibilities and prevailing *compromises*, we must understand austerity's intense and changing regimes of evaluative governance. This Chapter thus focuses on the practices most related to these patterns: **conducting and contesting financial tests** and **reshaping engagements**. If Chapter 12 investigated where organisations think they are, this one investigates what they – and others – think of their being there.

Its focus on the measures organisations, regulators and Government use to evaluate organisations' positions comes from their importance as coordinative devices. Yet, as observed above, the literature too often begins by assuming coordination is unproblematically possible. Thévenot's theory is therefore a helpful corrective: first, because it views coordination not as a starting point but as an achievement; second, because it highlights austerity's rapidly proliferating evaluative devices, or *measurement objects*, as coordination mechanisms. Accordingly, this introduction first considers what is known about evaluation under austerity, second analysing relevant elements of RE in more detail. This sets the agenda for the remainder of the chapter.

Evaluative turbulence

The foregoing cases demonstrate that austerity is a site of considerable *evaluative turbulence*: organisations face rapidly proliferating and changing evaluative standards within uncertain situations. This section outlines this turbulent landscape, reflecting on our cases and the literature's limitations in addressing them.

Austerity and evaluative change

Austerity tends to occur during political and economic instability, in which governments and organisations face extensive pressures to justify themselves (Dommett and Skelcher, 2014; Pollitt, 2010). Such environments probably prompt ever-increasing financial scrutiny from the multiple organisations to whom public agencies answer: governments, commissioners, regulators, partners (see Chapter 1, Chapter 11). As governing actors worry about savings plans, new forms of financial measurement arise, complementing the NHS's rich tapestry of measures (Power, 1999, pp.104–109).

This plurality of evaluations can overwhelm organisations. One Dryas manager explained:

So we've got a CIP Programme, the QIPP Programme, the [Commissioning for Quality and Innovation] Programme that we've talked about. We've got a [service-specific national change programme]. We've got the Trust Strategy. We've got R&D. We've got IT changes. We've got a Quality Programme. We've got our divisions' own internal change programmes to meet the development of their own services. We've got national mandated programmes that come down. We've got the Sustainability and Transformation Plan Initiatives...We have Quality Impact Assessments Mitigation Plans against everything that we do...We have an Infrastructure Plan to keep on top of our infrastructure charges...We've got a nationally

mandated Agency Reduction Plan, and we've got a Mobile Working and team digitisation Plan.

This interviewee describes the plural evaluative regimes Dryas faced. This was common across cases. Between them, commissioners, regulators and Government imposed many evaluative structures. In acute hospitals, the high-profile Carter review would have added to the above evaluative schemes. Organisations saw rapidly proliferating national evaluative structures, generally captured under **conducting and contesting financial tests**.

UK healthcare is not alone in this rapid proliferation of evaluative devices. Wider research highlights such rapid changes in accountability arrangements across austere settings (Landri, 2014; Bracci et al., 2015; Oakes and Oakes, 2016; Hayne, 2015). As Chapter 12 highlights, austerity sees public organisations experience unclear normative compromises and unstable perceptions of situations and possibilities. Such circumstances are ripe for ever-more evaluative frameworks to be introduced and modified to grasp changing situations. Organisations often add to such national evaluative structures, whether to delegate national obligations to departments (p.142) or to reassure senior managers regarding local performance priorities (Clayton et al., 2016; Raudla et al., 2013; Schmidt et al., 2017). Organisations under austerity experience turbulent evaluative landscapes.

Conceptualising evaluative turbulence

To better understand what I call *evaluative turbulence*, this chapter breaks it down into constituent elements: the simultaneous use of many evaluative tests (*synchronic evaluative heterogeneity*), the circumstances' unsettledness and perceptions thereof (*situational instability*), and consequent changes in tests and measurement devices across time (*diachronic evaluative heterogeneity*). These produce a self-sustaining landscape of uncertainty.

Under austerity, *synchronic evaluative heterogeneity* is common. Organisations apprehending uncertain futures frequently seek the 'guarantees' of increased measurement (Breviglieri, 2018). Hence do these studies demonstrate increasing measurements from external overseers and through internal governance channels. Austerity management studies characteristically analysed these changes as an *intensification* in central monitoring (Raudla et al., 2013, p.29). They are not wrong; ever-more measurement can be associated with increasing centralised control (Oakes and Oakes, 2016). However, seeing such measurement objects as an undifferentiated mass of 'more intensive measurement' risks missing the variations and interactions between measures. Instead, we should recognise such measures' plurality and difference.

Yet it is equally unsatisfactory to reduce this plurality to the direct normative conflicts on which EW/RE research often focuses. Where EW/RE generally seeks direct clashes between *goods* (Patriotta et al., 2011) or *regimes* (Meilvang et al., 2018), many of the measures cited above are sympathetic to one another, defending similar financial *plans* underwritten by *market-industrial* values. The difficulties they posed (see p.263) sprang not from their normative clashes but the sheer variety of differently measured evaluative devices. They should be seen neither as simply ‘more intensive measurement’ nor reduced to individual normative conflicts. Instead, their defining feature was variety itself: hence I conceptualise them as *synchronic evaluative heterogeneity*.

Such *synchronic evaluative heterogeneity* is made more difficult by its occurrence under austerity’s *situational instability*. As Chapter 12 demonstrates, perceptions of the *situation* remain unstable, continually altering the *situations* in which evaluations occur (Boltanski and Thévenot, 2006). This makes identifying the *situationally* appropriate evaluative standards difficult. Austerity augments such problems with frequent changes in material circumstances. Services, leaders, organisational and systemic structures repeatedly change. As Aloe’s troubles demonstrated, such concrete changes can precipitate major evaluative uncertainties. Nor are such troubles uncommon: Chapter 12 identified comparable instability as a routine feature of the financial year. Building on this, this chapter recognises this *situational instability* complicates evaluative processes.

Together, *synchronic evaluative heterogeneity* and *situational instability* precipitate *diachronic evaluative heterogeneity*. **Conducting and contesting financial tests** describes rapidly changing financial measures, often in response to changing *situations* (p.149). This is often hurried, individual measures ‘cobbl[ed]...together’. These rapidly proliferating *tests* therefore themselves require continual tweaking. This produces *diachronic evaluative heterogeneity*: the presence of a breadth of different tests across time.

Just as *situational instability* contributes to this *evaluative heterogeneity*, so the plurality of evaluative devices available makes the *situation* harder to pin down. Evaluative devices provide information about one’s situation. As they change and become more numerous it becomes harder to reach consensus about the situation. Thus *synchronic* and *diachronic evaluative heterogeneity* relate dialectically to *situational instability*. This interrelated bundle of circumstances constitutes the *evaluative turbulence* this chapter investigates.

Austerity as a site of evaluative turbulence

The term *evaluative turbulence* is chosen to bring out the unsettled feeling that such regular situational and evaluative change precipitates. Yet the literature's implied model of austerity management seems to be one of more-or-less circumspect judgement. One should be able to divine what sort of crisis one is in (Levine, 1978); or use high level budgetary categories to strategically direct savings (Hastings, Bailey, Bramley, et al., 2015). The image is of managers as planners making decisions *about* austerity, not as uncertain individuals *bound up in* austerity.

The measurement tools managers use to coordinate their work are similarly treated not as *part of* those efforts, but *evidence about* them. Characteristically, researchers use budgetary data as if they diagnose success and usefully describe organisations' savings (e.g. Dunsire and Hood, 1989; Hastings, Bailey, Gannon, et al., 2015). Notwithstanding the *evaluative turbulence* described above, measures are treated as both reliable and simple.

This is perhaps most obvious when it comes to the budgetary bottom line. Austerity is often imagined as a time in which evaluating one's relative success is simple: absent disasters, if one's bottom line is improving, things are going well. Research reinforces this common-sensical assumption. Consequently, many studies erase austerity's proliferating measurement devices as if the budgetary bottom line is the only show in town (e.g. 1989).

Yet austere organisations face myriad other evaluative standards. Schmidt et al (2017) posit that such broader measures matter but neither emphasise nor operationalise this suggestion. Where writers describe themselves as examining the use of performance data in austerity management, they mean they are examining their use in budget-setting (Hou et al., 2011; Jimenez, 2013; Raudla and Savi, 2015; Troupin et al., 2013). The use of nonfinancial or nonbudgetary data to evaluate performance against financial plans or other objectives goes unexamined. We acquire a contractile picture of evaluation under austerity.

Not only is the full range of evaluative devices under austerity underappreciated, changes within individual devices are also omitted. It has been observed that measurement tools become unreliable under austerity because of budgetary 'fudging' (Ferlie and Judge, 1981). But studies have not asked what this 'fudging' means once budgets are set. Indeed, writers treat budgets primarily as *planning* devices, neglecting their role in *monitoring* spending against planned allocations (e.g. Caiden and Wildavsky, 1980; Dunsire and Hood, 1989; Sosin, 2012). The literature's picture of evaluation is both contractile and oddly static.

Some recognise that multiple financial evaluative *forms* exist within organisations (Wildavsky, 1978). Several highlight the centralisation likely to prompt new data requests (Clayton et al., 2016; Raudla et al., 2013; Schmidt et al., 2017). Yet those focused on austerity's new measures remain on the literature's periphery, not analysing how such measures shape austerity management (Oakes and Oakes, 2016). The austerity management literature struggles to account for the *situational instability* or the *evaluative heterogeneity* austerity entails.

This limitation highlights the austerity management literature's heritage in private sector budgeting and cutback management theory (Raudla et al., 2015). While private organisations might focus primarily on financial outcomes, austere organisations' evaluative pluralism reflects public bodies' plural objectives (Denis et al., 2007). With governance decreasingly unitary (Dunleavy et al., 2006; Moore, 2013), public organisations must no longer merely reconcile their political masters' multiple goals: alongside government targets and measures they also face those from commissioners, regulators and others. The austerity management literature's theoretical heritage constrains its understanding of *evaluative turbulence*.

Evaluative turbulence and the regimes of engagement

There is thus a need for a theorisation of such changes that exceeds the literature's traditional budgeting theory approaches. Built out of Thévenot's (1984, 2016) detailed exploration of measurement devices, RE highlights their role in coordination – that is, within organisational life (Thévenot, 2001a). Unlike other approaches, RE treats coordination as a defeasible achievement, not a starting point. It is apt to theorise austerity's *evaluative turbulence* because it treats measurement devices as central successful coordination (Thévenot, 2001b).

Thévenot theorises in detail how evaluation can facilitate coordination in normal times. With life adopting the rhythm of a series of *tests* oriented to some *good* or other, evaluation helps us determine whether our *interventions* need amendment to achieve said *good* (Thévenot, 2001a, 2001b). Evaluation requires measurement devices tailored to the *good* sought and the way reality must be grasped to achieve it. This hints at why this study found organisations so frequently altering evaluative mechanisms. Measurement objects were found not to grasp the world in a manner befitting the *goods* organisations sought, prompting their repeated adjustment to improve this fit. This was repeated and urgent because evaluation and the tools one uses therein are vital to organisational goals.

Such objects can provide stability. More-or-less standardised evaluative approaches help us know the criteria we should use to assess people, actions or policies. They are *formatted* to assess certain types of subject or object using certain forms of information and are important

to certain situations. These evaluative approaches and the objects they use thus temporarily solidify important details that help us coordinate, making social life more predictable (Diaz-Bone, 2011). Measurement objects associated with such evaluations are thus central to containing conflicts or difference. Yet this is not permanent; there is always the risk such tensions may be reactivated (Thévenot, 2014a). Thévenot's thought is a promising way to conceptualise the coordinative function of evaluation, and the tensions which might arise when evaluative systems are placed under strain (Bourguignon and Chiapello, 2005).

This theorisation of coordination in normal times sows the theoretical seeds for us to understand how this might change under austerity. However, RE is theoretically based around analysis of individual *situations*, *tests* and *measurement devices*. Consequently, many studies focus on individual *tests* or *devices*, or how small numbers thereof conflict or interact (Huault and Rainelli-Weiss, 2011; Oldenhof et al., 2014; Pohler, 2019). Where studies do consider larger numbers of devices, they tend to be analysed more for their similarity than their interactions (Meilvang et al., 2018) or to be linked more empirically than by RE's theory. Theoretically, RE remains based around individual tests and direct flashpoints of contradiction between competing normative orientations. We know considerably less about broader contexts in which multiple measures coexist and interact without forming neat normative conflicts.

This is organisationally significant. Organisational strategising involves evaluating options and performance, and thus forwarding and challenging evaluative '*devices and measures*' (Gond, 2017, p.22, emphasis original). Yet such '*devices and measures*' are far from isolated but exist among wider circumstances and complexes of other measures in whose context they are understood. Practitioners know well that individual measures must be understood as part of a wider measurement landscape – inter-metric overlap is a key consideration when devising measures. We must better understand how *suites* of measures behave. This is vital under austerity's *evaluative heterogeneity*.

This chapter next tracks through RE how austerity's measurement devices are used, resisted, and the implications for coordination. It concludes that austerity's *evaluative turbulence* destabilises both individual *measurement devices* and the wider organisational arrangements supporting them, precipitating a crisis of coordination. Identifying the evaluative dynamics of an extremely unusual situation unsurprisingly takes us beyond usual RE theory. This precipitates supplementary findings, like novel forms of *critique* and the organisational arrangements underpinning evaluative work.

Evaluative devices

Evaluative turbulence is difficult to handle. Organisations facing proliferating and changing measurement regimes took little consolation from the fact that these multiple measures shared similar normative orientations. Their different measures of comparable goals increased measurement labour, confusion and complexity. One site described the ‘disconnect’ between internal and external budgeting, which used different spending categories: this created significant uncertainty.

Equally, one might find that measures targeting similar goals pushed organisations in contradictory directions. Sustainability and Transformation Partnership savings targets and organisational savings responsibilities were comparable *financial plans* backed by *market-industrial* outlooks. Yet one’s savings goals within a Sustainability and Transformation Partnership (STP) could conflict with one’s organisational savings targets because the two devices measured different actors’ spending. Even repeating exactly the same evaluation of the same division could lead to conflicts as later versions undercut their predecessors (see p.146). *Evaluative heterogeneity* implies plural measures that evaluate different actors using differently defined metrics at different times.

Situational uncertainty entrenches such problems. Given *evaluations’* appropriateness is *situated*, quickly changing circumstances always threaten to make even established evaluative approaches seem inappropriate (Boltanski and Thévenot, 2006). Changing financial *situations* required Aloe’s erstwhile agreements about reasonable savings to be revised (p.169); or Dryas to review its ‘across-the-board’ principle of sharing savings burdens (p.110). Like *evaluative heterogeneity*, *situational uncertainty* made it difficult for organisations to know what to do. *Evaluative turbulence* jeopardised coordination.

Evaluative devices are supposed to help coordination. Thévenot (2001b) theorises the responses the world offers to our interventions as *resistance*. The type of *resistance* we receive helps us know if we are achieving our desired *good* and adjust our interventions as required. Evaluative devices help give clear indications of whether a good is being achieved, making successful interventions easier. Yet this becomes harder when multiple established measures are broadly aligned with one’s chosen *good*. The paragraphs above describe the possibility of one receiving different responses from different evaluative devices each aligned with one’s *good*. This makes tailoring one’s interventions harder.

These problems multiply when one attempts to coordinate with others. *Evaluative heterogeneity* leaves myriad ways of counting organisations’ and departments’ savings

contributions. Should one consider only internal CIP obligations or also QIPP savings when balancing divisions' savings contributions? This plurality of ways of counting means one can select one more favourable (or damning) to a given unit. Such clusters of measures therefore do not facilitate adjudication on what is proportional, fair or efficacious. Notwithstanding individual metrics' coherence, their plurality undermines their coordinative utility.

This possibility became clear in our organisations:

Corporate Dryas managers prepared to welcome a division to a Senior Scrutiny meeting. One talked through the division's budget. They highlighted their overspends and the so-called offsets against them. However, these did not cover the whole gap 'whether legitimate' offsets or not. There was also a very large gap, but a QIPP amounting to almost this amount [which might explain part of the gap]. However, the division was overperforming so they expected that QIPP to have a smaller impact than its headline figures suggested. A manager reflected that there were a lot of technicalities; they could get locked into an argument here. Another replied that these technicalities had made this a 'circular argument'. (Fieldnotes paraphrase)

Managers here discuss a budgetary document made more complex by the 'offsets' and QIPPs associated with diverse financial tests. These complicating factors provide many ways to count divisions' performance against financial targets. This led divisions to critique official counts – and the manager ending this extract to describe such criticisms as 'circular argument[s]'. Financial tests' *heterogeneity* undermines their evaluative-coordinative function.

To limit this, organisations may promote one of their many measures as a 'flagship' evaluation. However, these measures can rarely contain the full complexity of their austere landscapes. Unable to account for all variables organisations prioritised, or to deal with the many details important to a turbulent situation, such measures are liable to lose credibility, as CIPs did at Dryas. This is caused in part by the *situational instability* austerity brings: as the situation changes, any stable measure will struggle to continually encapsulate its vicissitudes. Partly, it is caused by *synchronic evaluative heterogeneity*: with so many *measurement devices* available, switching becomes too easy for any one to remain stably superordinate (Thévenot, 1984). 'Flagship' measures are thus likely to be displaced.

Evaluative critiques

Such critiques often centre on the **criteria** used to differentiate *worthy* from *unworthy* objects of evaluation. Gond (2017, p.22; Gond et al., 2015) highlights such critiques as a feature of

strategy-making writ large: people '*challeng[e]*, either openly or tacitly, *the devices and measures* used...by criticizing the criteria upon which such measures are based' (emphasis original). Such disputes are not unique to austerity, but inherent to strategizing.

Yet it would be wrong to therefore conclude that what was being observed here told us nothing about austerity itself. Organisations in our cases changed their evaluative standards frequently, with unstable and troubled results. Differentiating tested actors, a sub-code of **conducting and contesting financial tests**, was defined by capturing such application and contestation of **criteria** differentiating *worthy* from *unworthy*. It highlighted the regular alterations made to Dryas's CIP infrastructure. These often responded to the presence of other measures like the Finance department's alternative way of rating risk. This sub-code highlights the rapid, fevered adaptation of evaluative devices, which could become ubiquitous. Austerity's heterogeneous measures and continually changing situations eased, legitimised and amplified the critique found to a lesser extent in common-or-garden strategising.

But this is far from *evaluative turbulence*'s only effect. Under austerity, tests involve not only a greater variety of evaluative **criteria** but also a greater variety of **actors** undergoing evaluation. As scrutiny intensifies, organisations may be evaluated not only as individuals, but also as clusters or geographies. Within those organisations, people face regular evaluations as divisions, departments and even budget lines. With financial pressures rising, organisations and systems undergo significant restructures creating whole new organisational actors. Austerity's *evaluative turbulence* involves not only the **criteria** but also the **actors** involved in tests.

As plural criteria facilitate *critique*, so do plural actors. Configuring tested actors captured times when disputes about tests centred on which actor should be evaluated. Following a restructure of a department, one of that department's successors objected to being left with what they felt a disproportionate share of their predecessor's CIP responsibilities. The new evaluative standard was disputed not on the basis that CIP fulfilment was an unfair evaluative standard, but that the wrong **actor** was being evaluated.

Nor did it end there. If an evaluation still seems apt despite such potential critiques, this need not imply it seems important. With many frequently changing evaluations occurring, it becomes plausible for people to dispute whether a given test is – and will remain – central among them. In this study, this was captured under asserting and contesting test centrality, another sub-code of **conducting and contesting**.

This activity does not dispute an evaluation's **criteria**, but its **prescience**. This is best illustrated by situations in which the same test, with identical criteria, is repeatedly conducted.

Organisational staff were asked repeatedly about the level of austerity savings they could make. In Thyme, such requests to 'look again' and corresponding proliferations of budgetary plan versions made each one look temporary, enabling disagreement about any given version's importance. These are not disputes about the appropriateness of criteria deployed, but about why one evaluation should be considered **prescient**.

As tests are increasingly challenged across multiple dimensions under significant financial pressure, discord grows. A shared sense of a *test's* aptness may become impossible.

Consequently, managers may attempt to simply enforce such *tests*, others to resist them. This precipitates contestation over the **practical apparatus** associated with those *tests*. Enforcing and averting tests sees tools necessary to such *tests* – like the data they use – authoritatively demanded and withheld.

This contestation is promoted by staff feeling vulnerable – something austerity promotes.

Aloe's decision to 'manage our data out of here' followed a demonstration that evaluative devices were changeable (p.169). Staff discomfited by Garrrya's changing of their financial targets and recent recruitment of AccountantsCo were not dodging a specific test. Rather, they displayed concern about the possibility of as-yet undetermined evaluative approaches.

Apprehensiveness about *diachronic evaluative heterogeneity* precipitated caution about access to the **practical apparatus** of testing.

Austerity sees not only tests' **criteria** but also **actors**, **prescience** and **practical apparatus** (collectively, their '**constituents**') face significant *resistance*. Going beyond the **criteria**-based *critique* identified in conventional strategising (Gond, 2017), this highlights austerity's multiple forms of instability. Austerity's *evaluative turbulence* creates more bases for *critique* of measurement devices than usually apparent. Figure 13.1 illustrates this system, highlighting the **constituents** of tests, the practices acting upon them and their precipitating conditions.

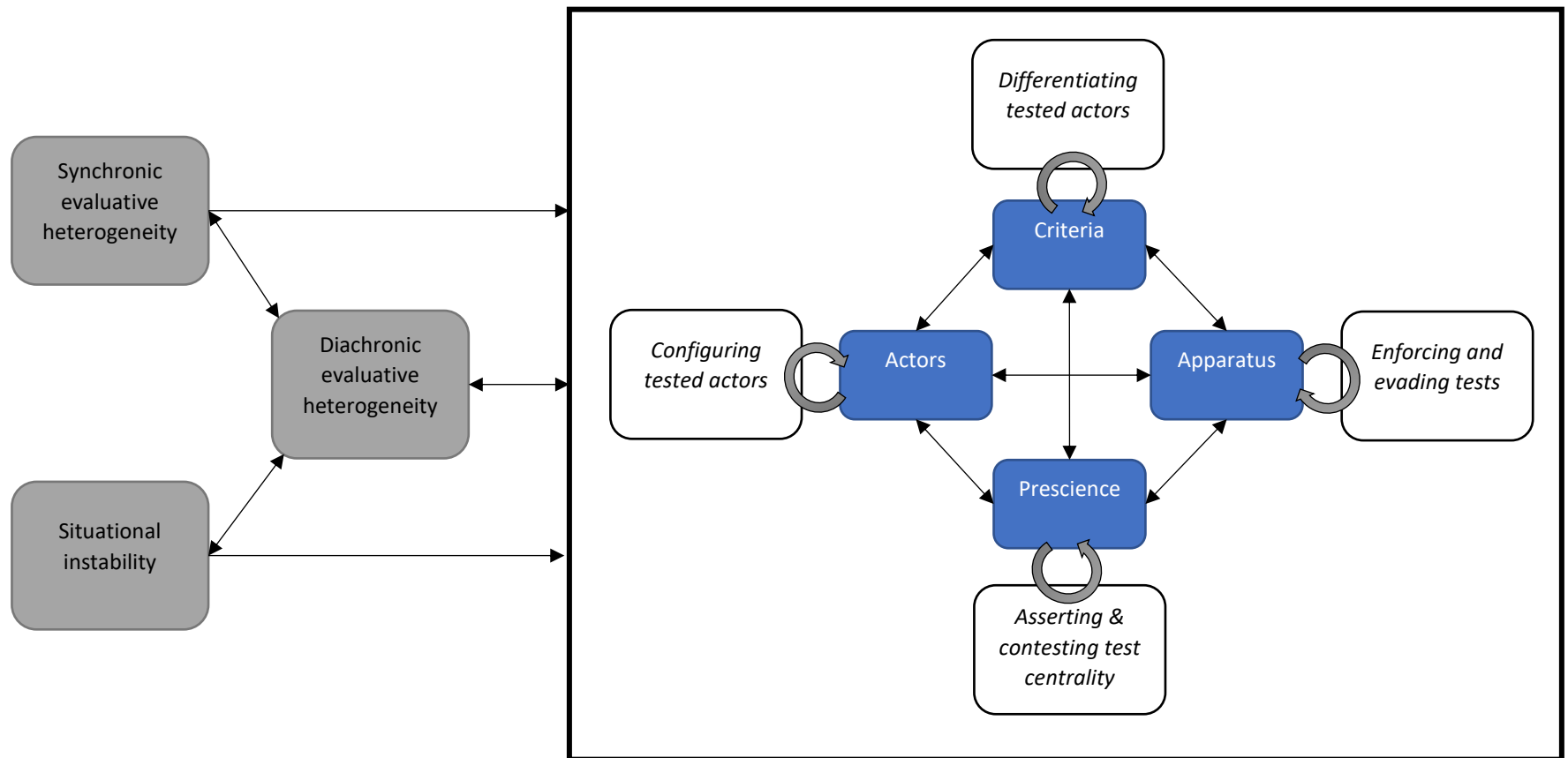


Figure 13.1 – Evaluative turbulence, and four types of evaluative instability

Under austerity, a greater breadth of test **constituents** seem disputed than in accounts of strategising in general (Gond, 2017). This occurs because each seems subject to change rather than part of an unambiguously established form (Thévenot, 1984). *Evaluative turbulence* provides both the *heterogeneity* that relativises these **constituents**; and the *uncertainty* and concrete situational changes which precipitate change therein. This does not suggest such critiques are impossible at other times: there is no theoretical reason why, say, the **actor** undergoing evaluation could not form the basis for *critique* in other settings. But the simultaneous availability of all of them as potential bases for dispute seems to characterise austerity's *evaluative turbulence*. Figure 13.1 illustrates the dimensions of this *turbulence* and their relation to the multiple types of critique described here.

Evaluative adjustments

One characteristic response to such *critique* is to amend a *test* to make it more acceptable, thereby enabling coordination (Boltanski and Thévenot, 2006). So, if someone responds to a strategic intervention by *critiquing* the criteria based on which individuals are differentiated, one may stabilise the situation by adjusting them. Normally, such tweaking can help precipitate a more stable arrangement. However, austerity twice problematises such adjustment.

First, amendments to *tests* intensify *diachronic evaluative heterogeneity*. In response to critical claims that organisations could not solve financial problems individually, Government grouped them into Sustainability and Transformation Partnerships and began financially evaluating them. When Dryas's CIP approach was found not to have prevented 'empty' schemes, it altered its risk-rating approach. And when Transforming Thyme's strategic ambitions met resistance in an organisation focused on short-term savings, it progressively shifted towards aiming more at this alternative *good*. *Tests* were frequently amended in response to critique, with significant organisational consequence.

Such changes attempt to address the criticism *evaluative turbulence* enables. Yet they contribute to the *diachronic evaluative heterogeneity* described above. Altering individual evaluative devices might solve local problems; but together they contribute to the bewildering plurality of evaluative devices in recent use. This entrenches one of the conditions Figure 13.1 highlights as necessitating such adaptations in the first place.

Second, amendments to any one test **constituent** probably require compensatory adjustments to others. Normally, when it is primarily the **criteria** by which the worthy and unworthy are distinguished that are questioned, progressive adjustments of those **criteria** can lead to

stability and compromise. However, under austerity, *evaluative turbulence* emphasises the relativity of not only test **criteria** but also **actors**, **data** and **prescience**. With these variables open to critique, their inter-reliance becomes important: something is only the right **criterion** by which to evaluate a given **actor**; and a **prescient** test only possible with the right **apparatus**. Changing one **constituent** can require changes in others to maintain an appropriate test. Not only does austerity's evaluative plurality create more bases on which measurement devices can be criticised, such resistance is also mutually reinforcing, creating ongoing cycles of instability.

This was observable in these sites. Managers tended to adjust the *tests* whose **constituents** came under severe critique, often bringing knock-on consequences for other **constituents** and causing further problems. By shifting to managing the overall position when CIPs faced resistance, Dryas's Projects Office were changing the **criteria** used to differentiate actors. But in so doing, they had to shift from *testing actors* like project leads to those like departments and budget-lines, causing more resistance. When Thyme responded to *Carter* by delegating savings imperatives to divisions, it was changing the **actor** undergoing evaluation. But this precipitated fresh resistance from divisional staff who rejected Carter's **criteria**. And attempting to clarify responsibilities at Garrya by creating Aloe changed who owned performance data, enabling them to resist future tests by withholding the **apparatus** they required. Responding to *critique* of one **constituent** risks destabilising others.

Situational instability reinforces these dynamics. Given the fragile balance of **constituents** creating a viable *test*, tailoring that *test* to new *situations* can be a delicate process under austerity (Boltanski and Thévenot, 2006). Chapter 12's *situational instability* makes this tailoring frequent. Dryas had reached a delicate agreement about its budget was undermined when the changing *situation* meant more savings were needed. Evaluative **criteria**, test **apparatus**, and the **actors** responsible became controversial, further problematising coordination. If *evaluative heterogeneity* is temporarily overcome, *situational instability* always threatens to undermine temporary agreements.

Adjusting *tests* can increase *diachronic evaluative heterogeneity* and destabilise those *tests'* **constituents**. Austerity facilitates these effects by creating unstable *situations* and leading more **constituents** to seem contestable. Figure 13.1's arrows illustrates these feedback interrelations between **constituents** and between tests and *evaluative heterogeneity*. Austerity's *evaluative turbulence* means attempts to stabilise *tests* can have the opposite effect.

Test infrastructures

With such cycles proliferating, organisations are unlikely to seek stability by naïvely simply repeatedly changing their measurement devices. Instead, they will recognise there are systemic problems with the contexts individual measures inhabit. Yet unable to change austerity itself, they alter the organisational structures facilitating certain evaluations and limiting others. These are devices like savings monitoring programmes or governance arrangements. They are organisational arrangements that create the contexts for, and practically enable, certain types of evaluation. I will call them *test infrastructures*.

Reshaping engagements captured changes in *test infrastructure*. Such practices could be effective: creating a new programme management unit might provide missing data, completing a test's **practical apparatus**; or restructuring a department may resolve ambiguities about the **actor** responsible for savings. However, the *evaluative turbulence* which made forming the right evaluative devices difficult also problematised **reshaping engagements** under austerity.

This study found three forms of **reshaping**. One response to the growing prevalence of public disputes over chosen *measurement objects* is to avoid the *regime of justification* altogether. This was achieved through moral separation. This shift in organisations' test infrastructures was often structural. Organisations structurally separated their savings functions from those seen as responsible for quality concerns, limiting criticism over their focus on costs. But moral separation was not a wholly structural process, also involving significant discursive work (p.203). Either way, it limited or mitigated the possibility of *justificatory* dispute over the bases on which *measurement devices* operated.

Such action can be locally beneficial. It avoids acrimony and can ease people's reconciliation to projects whose underlying ethos they find uncomfortable. However, austerity's *evaluative turbulence* does not disappear, and staff are likely to continue to disagree about which of the many measurement devices should be used to coordinate activity. *Justificatory* disputes are normally a mechanism by which such disagreements are addressed. Yet moral separation eschews this mechanism, avoiding acrimony but perpetuating irresolution. This was illustrated in one site when some described things they could not say outside their departments, whose objectives differed from central aspirations: disagreements went unaddressed.

Consequently, organisations probably seek to improve coordination in other ways. They might set aside situations where their *plans* face justificatory *critique*, and instead attempt to shore up how those *plans* are monitored. This they often achieve by creating new monitoring

structures to govern the **financial tests** described above. Re-structuring savings programmes included creating, embedding and revising organisational units dedicated to savings. Such work is likely dominated by traditional savings programmes, but extends to new organisations like Aloe. The manager who cast the plurality of evaluations Dryas faced as so chaotic and unmanageable (p.257) demanded exactly such structures. Theoretically, such infrastructures can provide the **apparatus** (e.g. data) preferred monitoring approaches need, or craft *situations* in which their **criteria** seem apt (Thévenot, 1984).

However, such structures' stability is not guaranteed. The *evaluative turbulence* that makes individual *measurement devices* unstable similarly affects these infrastructures. As *diachronic evaluative heterogeneity* leads to tests changing, it grows necessary to further revise their enabling infrastructures. Under austerity's urgency, such structures are hurriedly 'cobbl[ed] together'. Their relationships and organisational status thus remain unestablished, and probably require constant tweaking and amendment. To claim to be broadly relevant to their organisations, they must cover a breadth of evaluative devices. Staying relevant to many, changing measures means continually reshaping themselves.

Consequently, these units tend to be characterised by ongoing efforts to establish themselves; questions over their purpose and boundaries; and continual tweaking following opposition. Such continual changes make it less certain what forms of evaluation they will enable and increase *diachronic evaluative heterogeneity*. While such specialist units are designed to enforce *plans* more surely, they can end up creating more questions.

As *planning* proves difficult, organisations seek alternative modes of coordination. Not enthused by open *justificatory* disputes in a landscape of evaluative complexity, and with formal *plans* often criticised for not seeing what things are 'really like' on the ground (p.194), they may pursue more *familiar* coordination. Familiarising coordination involved using gut intuitions, close relationships and personal or corporeal discourse.

Familiar coordination can work well within organisations even during difficult times (Duymedjian and Rüling, 2010). Within intimate teams with established, clear relations built over time, people can understand deeply each other's objectives and thus coordinate through *familiarity*. However, austerity's *evaluative turbulence* makes such coordination difficult. The organisational upheaval associated with *situational uncertainty* destabilises relationships. Given intense *evaluative heterogeneity*, those being monitored experience overwhelming scrutiny, making difficult the trust on which *familiar* relations rely. *Evaluative turbulence* makes more *familiar* coordination difficult.

The triple crisis of coordination

The foregoing paragraphs highlight the aims and limitations of changes in *test infrastructures*. Organisations attempting to alter these under austerity's *evaluative turbulence* can find that *planned, familiar* and *justificatory* coordination each become unstable. Worse, efforts to coordinate in one *regime* can make other coordination harder. Renewed efforts to enforce *plans* often intensify scrutiny, problematising *familiar* coordinative efforts: it is difficult to be both governor and confidant. *Familiar* efforts which bypass formal *planning* undermine those plans' consistency. Unresolved *justificatory disputes* help neither effective *planning* nor successful *familiar* relations. There arises a triple coordinative crisis in which coordination in any *regime* seems difficult.

This crisis left staff lacking clear ways to coordinate. Staff were sometimes unsure how to decide what to do, as when non-clinical Aloe staff faced clinical prioritisation decisions. With neither a clear guiding *plan* or *principle* nor trusting *familiar* relationships with Garrya clinicians, they were left prioritising whoever 'shouts loudest'. With coordinative devices failing, decisions adopted the characteristic of *tests of strength* in which interests are pursued without coordinative principles (Boltanski and Chiapello, 2005, pp.30–32).

Other times, such dilemmas manifested through staff's language. One middle manager wondered whether they needed to get better at showing people 'the impossible thing we're trying to square'. Other times these linguistic cues were subtler:

A clinician might say, 'Well you're interested in discharge. I don't believe that patient's well enough to be discharged', and this is difficult stuff but – 'and this is my – that's my bailiwick. That's what I do, so don't tell me when I've got to discharge somebody' to which the response might be, 'Yeah, I know but there's somebody else who's even more ill and we can't get him in the door'. How does that – when you, you can't compromise the quality? But what if I had to? What would I – what would that look like? You know, and th-, tho-, those are, those are the sort of questions and those are resourcing questions – absolutely resourcing questions. This is scarcity.
(Interview, Dryas)

This extract comes in the middle of a long answer about this manager's perspective on resourcing in healthcare. They begin by imagining an archetypical interaction with a clinician in which a logic of professional autonomy and a (*familiar*) focus on 'my patient' conflict with a more *planned* population-oriented logic based on concern for an abstract 'somebody else'. The manager continues to consider the intractable dilemma of capacity constraints alongside an

inability to 'compromise the quality'. Without adequate coordinative logics, they imagine such an impossible normative dilemma. As it becomes clear they do not know which *good* to prioritise, the manager's speech becomes fragmented and hesitant. Their uncertainty becomes great enough that sentences struggle to finish. What makes this more striking is that this is not a front-line manager regularly encountering such situations, but a corporate manager considering their work's unsettling dilemmas.

The lack of coordinative clarity prompted various coping strategies labelled marrying the inconsistency. Staff had to achieve multiple evaluative measures, and in circumstances in which alternative modes of coordination had failed. This partly explains people working extra hours. It also accounts for the moral stress managers reported, who found adequately and justly reconciling the multiple demands they faced difficult. More optimistically, it also prompted esoteric, local practices which helped resolve seemingly intractable puzzles. Organisations continuing effectively under austerity owed much to the ingenuity – and burdens – of staff closer to the ground.

Such measures brought consequences for staff themselves and for organisations' ability to coordinate. Even when they succeed, relying on esoteric solutions perpetuated long-term uncertainty. Because such actions are unpredictable, coordinating them was hard and their effect on organisations' *situations* uncertain. This reinforced the *evaluative turbulence* this chapter highlights, and the situational uncertainty occupying Chapter 12. Figure 13.2 expands Figure 13.1's representation of austerity's *evaluative heterogeneity* to include changing *test infrastructures* and the *triple crisis of coordination*.

Considering evaluative turbulence

The above develops an account of austerity as the destabilisation of measurement devices, evaluative practices and the *test infrastructures* supporting them. This occurs as austerity's *evaluative turbulence* leaves *tests* open to multiple *critiques* which damage their coordinative abilities. Consequent attempts to fundamentally change how coordination is achieved by modifying *test infrastructures* are subject to the same pressures, precipitating a *crisis of coordination*.

This contribution is important to the austerity management literature because it provides a coherent and developed account of austerity that takes its uncertainties and instability seriously. Notwithstanding passing observations that austere organisations are unstable (Ferlie and Judge, 1981; Rubin, 1977) or that organisations might feature multiple sources of

evaluation (Wildavsky, 1978), this literature too often presents austerity management as a series of discrete, isolated ‘decisions’ (Langley et al., 1995) taken with calm circumspection.

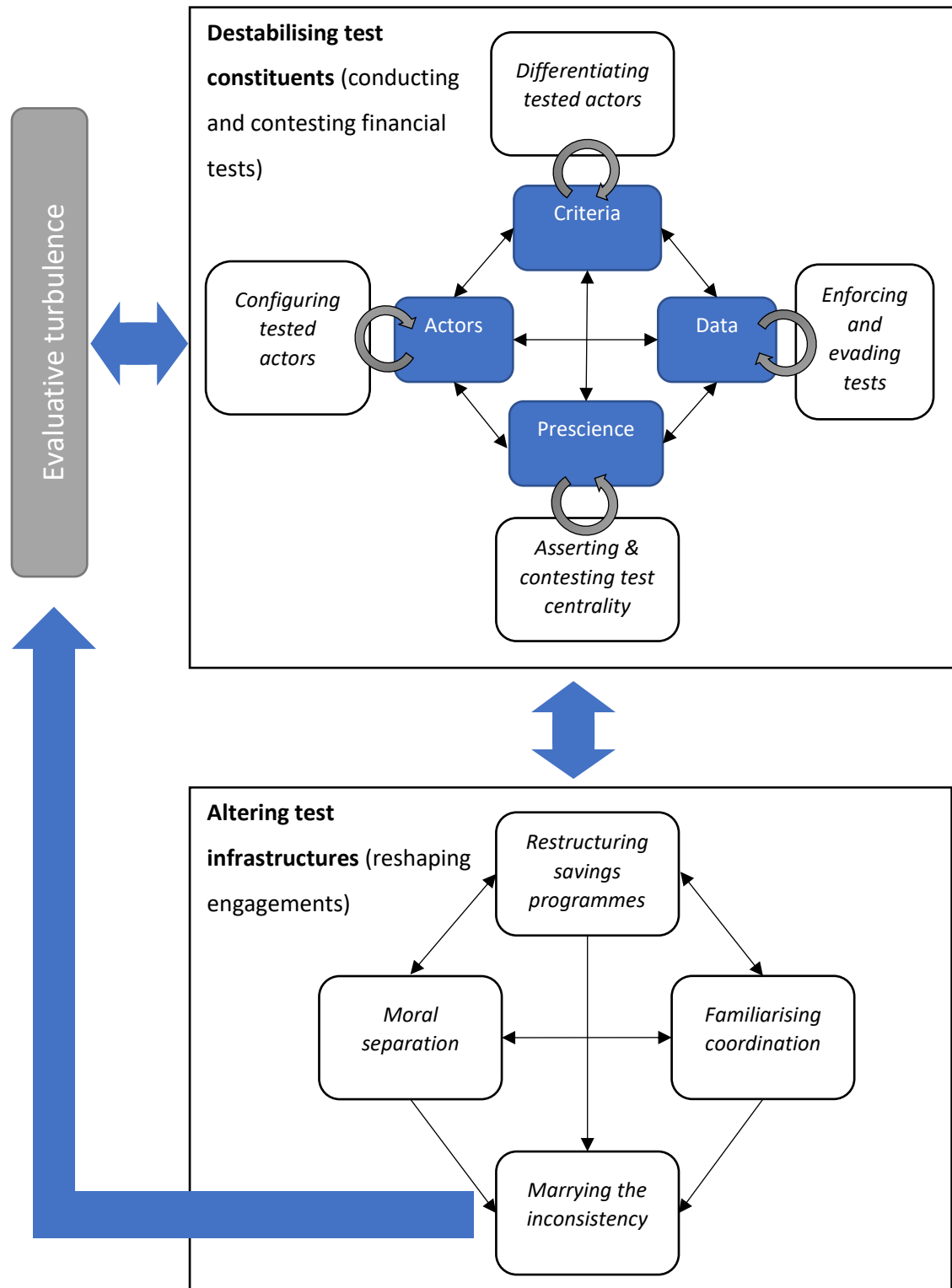


Figure 13.2 – Evaluation under austerity

Instead, this study identifies the ambiguities, pressures and consequent coordinative problems managers face. Prior approaches account inadequately for these realities. Austerity's turbulent environments and the ever-increasing evaluative demands organisations, individuals and departments face cause profound coordination difficulties. A literature about managers' 'strategic' decisions about how best to coordinate their work is of little use to organisations struggling to achieve coordination at all.

Thévenot highlights the difficulties inherent to coordination, viewing it as an achievement not a starting point. Seen thus, austerity management becomes an attempt to retain effective coordination despite increasing *situational uncertainty* and *evaluative heterogeneity*. This *heterogeneity* is reducible neither to 'more scrutiny' nor to specific conflicts between individual measures. Rather, it represents a superfluity of broadly consonant measures which undermines the certainty such devices aim to provide. As this plurality and situational change causes measures to change, they are replaced or augmented. In contrast to attempts to explain why metrics proliferate *despite* their failures (Power, 2019), this account explains their proliferation *because of* such failures. The harder governments and organisations seek surety through additional measures, the less sure everything becomes.

Thévenot's approach reconceptualises budgets as *measurement devices*. Seen thus, they are not only the allocative devices frequently analysed, but also ways of monitoring financial compliance. Considering budgets' dual role is necessary to a genuinely processual account thereof. This is vital to understanding the effects of previously observed features of austere budgeting, like 'fudging' savings objectives (Ferlie and Judge, 1981). Without this perspective, we tell but half the budgeting story.

This view of budgets enables comparison with other evaluative devices, and thus broadens the range of devices analysed. Only by doing so can we understand how budgets interact with their environments of radical evaluative plurality. This enables this study to analyse previously underappreciated complexities of a task that far exceeds addressing the bottom line. These insights reconceptualise austerity management as, initially, an attempt to coordinate despite one's circumstances.

While providing a more realistic picture of managing within austere contexts, this perspective solves several problems in the austerity management literature. First, it provides a corrective to those who wish (Levine, 1978, 1985) or imagine (Behn, 1980; Raudla et al., 2015, p.434) organisations can simply adopt more 'strategic' approaches. Writers who suggest organisations should be more strategic do acknowledge that organisations need a 'strategic

capacity' that not all possess (Levine, 1985). Yet this study highlights that these 'strategic capacities' (e.g. savings programmes) are themselves destabilised by austerity. Tools effective during comparative plenty become problematic under austerity.

Second, it provides a more compelling explanation for how people determine the savings they will make. Whereas earlier attempts emphasise clashes of interests (Glennister, 1980), this chapter emphasises the nuances of such decisions. While people might pursue a given course based on their preferred outcomes, earlier approaches consider little the *situations* in which they do so. This chapter highlights the difficulties people might face fulfilling multiple imperatives, and the possible changes in their preferences as *situations* develop. Without doing so, it is not possible to develop a full account of how austere priorities are set.

Third, it addresses the otherwise high-level focus of the austerity management literature. This study draws attention to the dilemmas, pressures and capacities of ground level staff involved in austerity management (Hyde and Exworthy, 2016). While savings programmes are rarely analysed alongside strategic austerity management (e.g. Kardakis et al., 2014), this study interrogates both, linking them through organisations' *measurement devices* and the *test infrastructures* facilitating them.

Perhaps most importantly, this chapter reframes austerity management as a coordination problem. It emphasises that coordination is not natural but enabled by somewhat predictable situations and clarity over the appropriate *tests* and *measurement devices* to use. When austerity undermines these, the sorts of measured and effective decisions many austerity management writers wish or imagine organisations take become near-impossible. Effectively coordinating one's own work, and particularly coordinating with others can become prohibitively difficult. The first decision becomes not whether to make across-the-board or targeted savings but how to effectively coordinate work at all.

This realisation should highlight the competencies which organisational actors show in managing to continue organisational life under austerity. These characterise the esoteric ad hoc approaches coded under marrying the inconsistency. But they are also evident in the ways organisations manage to maintain key measures of success despite *evaluative turbulence*. Thyme chose to hold constant its core budgetary *test*. This precipitated disbelief about which version would be **prescient** but nevertheless avoided prolonged instability. Aloe sought its early stability by emphasising its boundaries and telling a story of its development from 'infanthood' that presented problems as natural developmental snags, not reasons to radically restructure. Meanwhile Dryas mitigated the effect of *situational* change on individual divisions

by re-distributing savings responsibilities. None of these steps were cost-free, but we should better recognise the labour that goes into merely preserving organisational coordination.

Beyond austerity

This chapter focuses on austerity management. Yet its empirical observations and theoretical developments have farther-reaching implications. First, the effects observed are prompted not by austerity's scarcity alone, but its *evaluative turbulence*. Thus these phenomena are likely wherever substantial uncertainty and intensive measurement reign. As Breviglieri (2018) observes, this increasingly characterises modern bureaucracies. Even outside crises, anxiety precipitates calls for ever-expanding measurement. Such circumstances may see measures destabilise, *test infrastructures* change, and even *triple coordinative crises* occur.

Second, analysis of *critique* has generally operated at a general level, not differentiating between disputes focused on distinct **components** of a *test*. As Gond (2017) makes usefully explicit, such generalised descriptions of *critique* of a *test* or *measurement device* generally mean *critiques* of its **criteria**. This chapter notes *critiques* and *resistance* based on the **actors**, **apparatus** and **prescience** of *tests*. This is a central contribution to RE, providing a more sophisticated vocabulary to describe *critique*, highlighting previously unrecognised forms thereof, and identifying their interrelations. This is vital to this study because these interrelations form a self-reinforcing cycle of instability. It is likely useful elsewhere because attention to all *test constituents* is important to understanding the plural forms of *critique* such *tests* might prompt.

Third, RE/EW tends to analyse sequences of specific tests rather than broader evaluative environments. To do the latter, this chapter uses the concept of the *test infrastructure*: This recognises that organisational *situations* – particularly their savings programmes – are not coincidental, but partly the product of design choices. Organisational arrangements encourage certain types of *test*, and deter others, through the contexts they create, the actors they constitute and the apparatus they provide. Without considering such structures, understanding organisational *evaluation* remains difficult.

Moving on

This contribution highlights four routes for further research. First, further austerity management studies that investigate how coordination is achieved (or not) are urgently needed. Studies of actors' competencies in enabling organisational life to continue are a necessary corrective to repeated instructions to managers to be more 'strategic'. Second, it is startling that this research remains atypical in considering in detail the operational

programmes designed to manage austerity. Further studies of the delivery – not conception – of austerity savings are overdue. Third, this study identifies multiple dimensions of *tests* which can be *critiqued*, but there is no guarantee that these are an exhaustive range. Future work could further analyse *critique* using and extending this typology of test constituents. Finally, the *test infrastructure* is a promising concept. While RE rightly builds from analysis of the individual *test* or evaluative *measure*, these measures exist alongside organisational infrastructures which facilitate several *tests*. Analysing the development of *test infrastructures* facilitates analysis beyond the individual test.

This thesis has brought three core contributions. Chapter 11 identifies the role played by *situating work* in evaluation under austerity. Chapter 12 builds on this to characterise organisations' understanding of their situation, possibilities and values as destabilised through a *cycle of opening and closing one's eyes* tied to the financial year. Finally, Chapter 13 notes the instability created by austerity's *evaluative turbulence* and the consequent challenges of coordination. These contributions are sympathetic with one another; already, a pattern emerges in which austerity brings multiple forms of uncertainty, organisations attempt to manage these, and risk reinforcing them. However, it remains unclear how these findings interrelate, and what conclusions their combination implies. Chapter 14 concludes this thesis by collating these models and exploring their implications for austerity management research and practice.

Part 6 – Conclusion

Chapter 14: Conclusion

Introduction

This study aimed to conceptualise austerity management not as a series of savings but as a response to a *situation* (Chapter 2). The analysis that followed highlighted austerity as a time of instability in which coordination is imperilled. Organisations' finances become not only tighter but also less predictable. External demands change rapidly with public finances and political whim. Requirements to meet unfeasible budgetary totals create an annual rhythm of optimism and pessimism that destabilises how one perceives the *situation* (Chapter 12). As panic grows, organisational and governmental searches for ever-more metricised performance leave organisations facing a bewildering evaluative landscape (Chapter 13). *Situating work* becomes time-consuming and problematic (Chapter 11): organisations know neither where they are nor what is demanded of them. Austerity undermines certainty, precipitating continual revision of situational and evaluative judgements.

Yet too often, academics approach austerity management as if it were – scarcity aside – like managing in normal times. Foundational approaches demand more 'strategic' approaches to austerity management (Levine, 1978, 1979, 1985), as if circumspect strategic judgement was simple during crises of coordination. Key debates ask which savings are chosen (Bailey et al., 2015), or why, as if these were cognitive questions about managerial preferences (e.g. Leider et al., 2014; Meier and O'Toole, 2009). Such writing generally imagines itself as advising or describing circumspect rationalist managers lying outside the situations they manage.

This thesis contradicts these suppositions. Drawing on Thévenot, it highlights managerial action's *situated* nature within austerity, and coordination's defeasibility. Through Thévenot's work it highlights the perennial importance of *situating work* (Chapter 11), and its difficulty under austerity's annual cycles of *opening and closing one's eyes* (Chapter 12). The resultant *situational uncertainty* combines with *evaluative heterogeneity* to create an *evaluative turbulence* in which ascertaining what was 'good' becomes challenging (Chapter 13). As Thévenot notes, a clear 'good' enables effective coordination.

This reframes austerity management as a search for coordination. Instead of assuming organisations calmly strategise their ideal austerity management approach, it takes seriously austerity's contingencies. Austerity management is thus theorised as *situated action*. This conceptualisation emphasises something intuitive but underacknowledged: that people

manage austerity under substantial instability. But it also highlights something less expected: that those devices normally stabilising *situations* become counterproductive under austerity.

These insights provide a more grounded account of austerity management. This should both expand the range of questions we ask about austerity and provide new answers to established questions. Five sections follow. The first reviews and integrates the theorisation the previous three chapters develop. The second considers these insights' implications for austerity management research. The third broadens this focus to consider implications for RE theory. The fourth interrogates implications for practitioners. The Chapter concludes by noting the further research this thesis's findings and limitations suggest.

Engaging with austerity

Organisations, austerity and engagements

Chapter 12 emphasises the austere *situation's* instability. With austerity's unpredictable spending patterns accentuated by an annual cycle of *opening and closing one's eyes*, perceiving a stable *situation* becomes harder. This drives uncertainty about appropriate responses thereto, and conflict between those seeing the situation differently. When organisations are optimistic, they stretch judgements about what savings are possible, and which cohere with prevailing organisational *compromises*. This *situational instability* itself has profound organisational consequences.

Yet it also feeds the *evaluative turbulence* Chapter 13 explores. Uncertainty encourages senior actors to seek the guarantees of ever-more evaluative measures. Simultaneously, *situational uncertainty's* concrete drivers, like restructures, necessitate new measurement devices. The resultant complex evaluative landscape can overwhelm organisations, through measurement labour and inter-measure variation. Coordination becomes difficult as organisations are torn between plural ways of conceptualising their responsibilities. This precipitates the coordinative crisis Chapter 13 highlights.

Just as *situational instability* feeds *evaluative turbulence*, so the reverse is true. Financial measures not only evaluate organisations, but also describe their situations. As they become more plural and changeable, their image of the *situation* becomes less consistent. And when *evaluative turbulence* undermines coordination, predicting others' actions becomes harder. *Evaluative turbulence* makes it harder to know the present and the future, fuelling the uncertainty driving the *cycle of opening and closing one's eyes*.

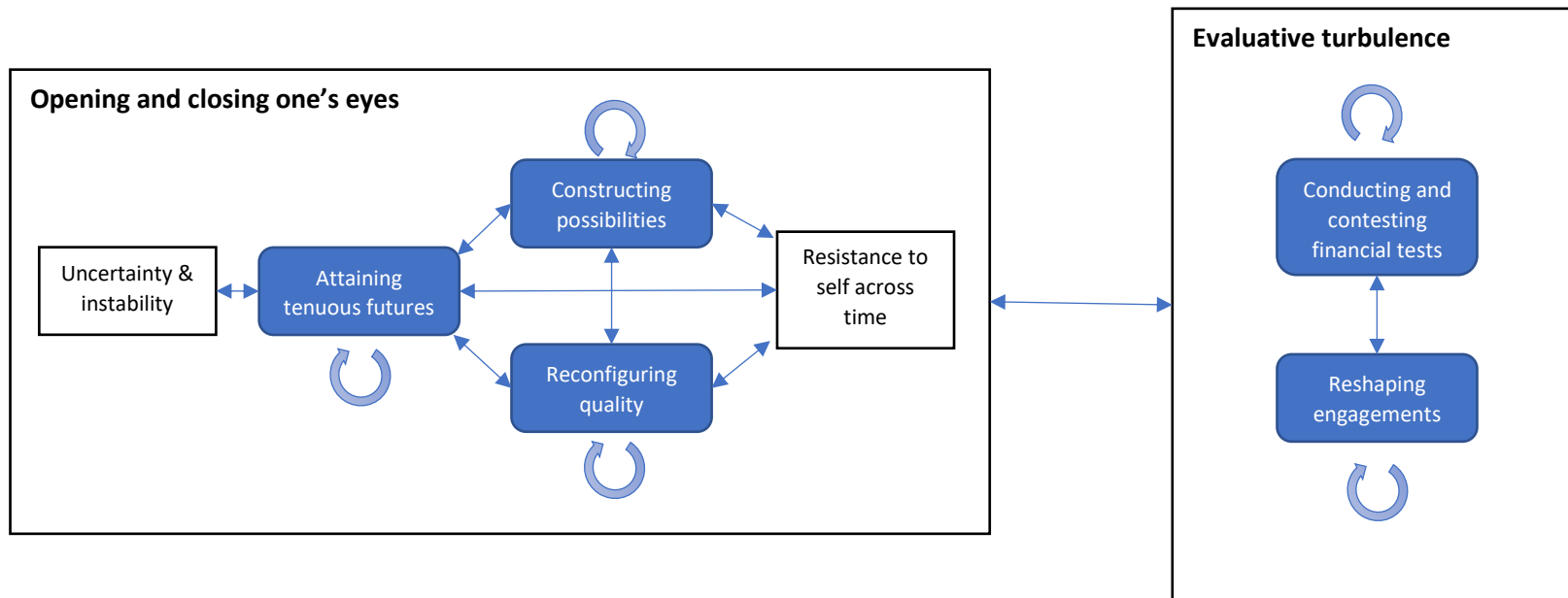


Figure 14.1 – Organisational austerity management

Figure 14.1 depicts the mutually reinforcing relationship between *evaluative turbulence* and *opening and closing one's eyes*. It simplifies and combines Figure 12.3 and Figure 13.2, using the basic terminology for core practices common across chapters. This enables comparison with Figure 10.4, which Figure 14.1 develops and theorises.

Earlier chapters have elaborated the relations between the sub-practices composing Figure 14.1's core practices. The uncertainty created by repeatedly **reconfiguring quality**, or the instability as different ways of **conducting and contesting financial tests** alternated were substantial. Such instabilities, combined with the core practices' interdependence, precipitated an environment in which little could be relied upon.

Considering these interdependent engagements highlights a difficulty conventional austerity management writing neglects: the challenge of achieving coordination. Many writers treat austerity managers as if equipped and disposed to take and implement circumspect, rationalistic decisions free from their austere contexts' instability. Such managers make clear, often abstract decisions: cuts or investments-to-save; across-the-board or 'targeted' cuts (Hastings, Bailey, Gannon, et al., 2015; Raudla et al., 2015). While some recognise that radical steps like large funding shifts might problematise coordination (Wildavsky, 1978), even they cast this as the consequence of excessive divergence from the devices and approaches normally guaranteeing stability. A shared assumption appears: at least if one does nothing too rash, coordination can still be taken for granted.

Austerity management starts with a search for coordination. This is Chapter 13's explicit conclusion and the implication of the instability Chapter 12 characterises. Together they provide a detailed model of organisational austerity management founded on the necessity of *situating work* Chapter 11 demonstrates.

Multilevel engagements

Yet with organisations frequently *situating* themselves in wider contexts, Figure 14.1 is necessarily incomplete. Chapter 11 highlights the turbulent discursive and policy framework which organisations inhabit. A fuller model would encompass the national changes shaping organisations' concrete circumstances and perceived *situations*. This subsection collates prior chapters' insights into national-level developments' organisational effects.

Chapter 7 to Chapter 9 exemplify such organisational effects (e.g. p.160). Organisations activated national constructions of *situations*, possibilities and normative *compromises* (see Chapter 11). In **attaining tenuous futures**, organisations' senior hierarchies frequently looked

beyond their boundaries to characterise crisis, particularly where suffering less financial strain themselves. Nor could organisations avoid staff making similar comparisons. While these sometimes assisted official narratives, they sometimes hindered them (p.142). Perceived national *situations* become the backdrop against which staff form perspectives about organisational ones.

National forces shaped organisational views about not only their *situations*, but also the **possibilities** therein. These effects were both discursive and coercive. Thyme struggled not to adopt *Carter's* mode of thinking (p.142). This was partly because of how effectively it discursively constructed a better future (see Chapter 11), but partly due to regulatory requirements to engage with it. Even refuting the specific savings such a model foresees involves seeing the world through its analytic lens. National accounts of possible savings may shape organisational views, particularly when engagement therewith is coercively required.

Finally, organisational actors often drew on **reconfigurations of quality** from national debates. Each site featured language prominent in national discussions. The language of 'unpalatable' savings in Thyme and Dryas echoed similar national euphemisms for quality or access reductions (pp.127, 152). Nationally authorised reconfigurations of cost-quality relations invoked an established *compromise* and seemingly limited the uttering manager's personal implication in such awkward balances. Nationally current *compromise* formulations may thus appeal to managers.

Linkages between national and organisational discourses are observed across **attaining tenuous futures, constructing possibility and reconfiguring** – the three practices Chapter 11 analyses. That Chapter highlights such national practices' frequent changes. With organisations' understanding of *situations*, possibilities and *compromises* interlaced with national discourses, national changes become another source of organisational instability.

Aside from such direct discursive effects on organisations, such national debates also shape how governments and regulators evaluate them (Chapter 11). Chapter 13 emphasises the destabilising effects of the rapid changes in how organisations are evaluated. Not only do unstable national discourses affect how organisations see their *situation*, they also drive policy changes that promote *evaluative turbulence*.

These relations between national government and organisations share much with how parts of organisations relate to one another. Dryas's departments sometimes engaged in **reshaping engagements** to reconcile themselves with senior managers' requirements. Yet meanwhile

those senior managers used the same practice to come to terms with Government demands. These parallels stress that it would be artificial to stop considering austerity management – as most studies do – at organisations' formal boundaries.

Figure 14.2 illustrates these inter-level dynamics. It distinguishes national activity (see Chapter 11), from organisational work to show the relations between the two. It divides organisational activity into two levels to demonstrate the similar relations between organisational units. However, the choice of two organisational levels is not significant: the closer one looks, the more levels one might find. Indeed, such relations need not be conceptualised as vertical and linear: the relations here are between organisational domains, not necessarily between points in a hierarchy.

The illustration of national activity reformulates Figure 11.2 (p.229) to align it with later models' visual style. It adds to the national level the evaluative changes whose organisational effects Chapter 13 theorises. Only 'downward' effects of the national level on organisations are here illustrated, but this implies no disavowal of corresponding 'upwards' effects. But this study's data which compares the high-level national story with three detailed organisational cases makes national-to-local effects more identifiable than the inverse.

Figure 14.2's key insights are threefold. First, not only organisational but also national instability makes coordination difficult. Second, the national and organisational cases deployed similar practices (notwithstanding that this study does not focus on national evaluative practices). Third, despite this similarity, the cycle of *opening and closing one's eyes* is solely an organisational phenomenon. The key motivating difference appears to be that Government, while imposing the STF regime on organisations, is not itself bound by such requirements for overoptimistic planning.

Implications for austerity management research

This is a different approach to austerity management than the literature otherwise offers. Its attempt is not to identify which 'type' of savings people make (Bailey et al., 2015; Raudla et al., 2015); to determine the principle by which they are chosen (Sosin, 2012); or to examine the negative impacts (Clayton et al., 2015) of a policy taken as malign (Fuller, 2017). Its effort is simpler, and more fundamental: to understand what people are doing when they are managing austerity. In identifying austerity management's core practices, it fulfils that aim, becoming the first study to holistically interrogate austerity management as practice.

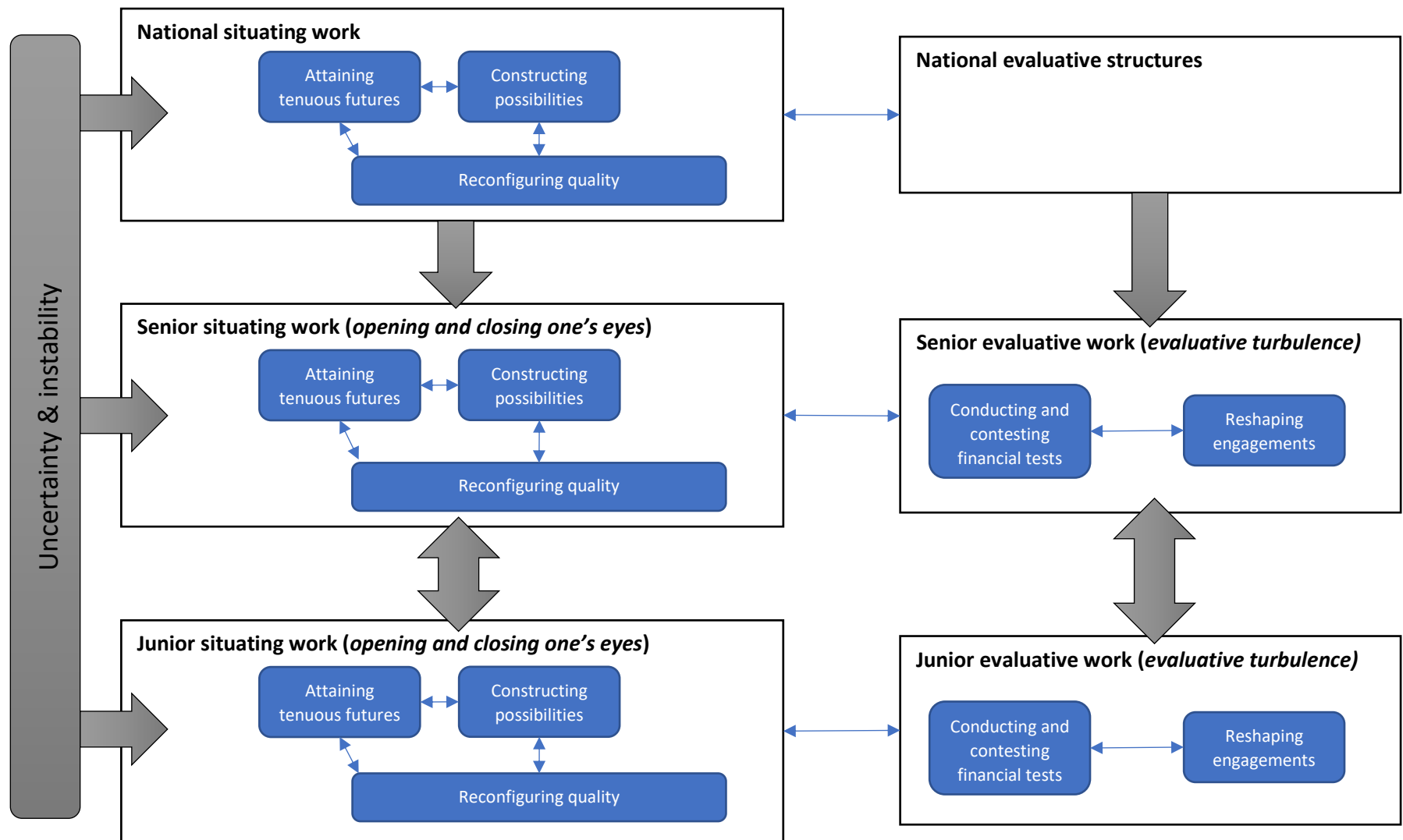


Figure 14.2 – Austerity management across levels

Yet its insights prove powerful for the wider austerity management literature. This literature contains a tension between what organisations do and what they ‘should’ do. Normative writers repeatedly express puzzlement that organisations fail to exercise the informed rationality they demand (e.g. Levine, 1985). Where we recognise that managing austerity is tricky, we use concepts like ‘context’ to contain its complex difficulties (Schmidt et al., 2017; Hardy, 1987). While such concepts recognise such difficulties, they tend to inhibit our greater understanding thereof by externalising them from austerity managers’ activities. This thesis analyses those difficulties by examining what austerity managers do. Instead of abstract, rationalistic managers *of* a situation, this reveals austerity managers as people *already bound up in* that situation.

This offers new answers to the austerity management literature’s key questions: what savings are made, why and how (Raudla et al., 2015). It also enables us to exceed these questions to consider austerity management’s deeper dynamics. The following sections address these issues in turn, elaborating this thesis’s contribution to each. This facilitates more realistic normative work, that advises not abstract rationalists, but the situated austerity managers this thesis identifies.

What savings are made?

One of the literature’s dominant questions asks which savings organisations make. Writers characteristically dispute whether ‘across-the-board’ or ‘targeted’ savings are made (e.g. Levine, 1985), subdividing ‘targeted’ savings into ‘managerialist’ and ‘strategic’ approaches. Alongside these core categories, writers have deployed various savings categories (Dunsire and Hood, 1989). Swathes of the literature ask which ‘type’ of savings organisations make.

Yet this question already simplifies matters. First, because the savings one seeks is a temporally charged question. Chapter 12 highlights that organisations pursue different sorts of savings at different points in the *cycle of opening and closing one’s eyes*. Additionally, as individual savings are delegated through organisations, and different ways of **constructing possibilities** gain favour, the same savings become differently framed over time.

This should shape research methods. If savings ‘types’ routinely change, the savings a study finds will depend on the point in the financial year that study was conducted. If research is conducted around formal budgeting, neat, structured often across-the-board allocations may be more likely. Later in the year, those aggregate totals may have been delegated and turned into more specific – that is, ‘targeted’ – plans. Growing financial strife may also have precipitated initial across-the-board responsibilities being reallocated to fill gaps, creating

more ‘targeted’ savings. This is particularly pressing given that so many studies focus specifically on budgets and budgetary numbers (e.g. Boyne et al., 2000; Kelly, 1989). These risk characterising the savings organisations seek based on one point in a changing cycle.

Second, Figure 14.1 highlights that people seek different savings sought depending on the *turbulent* evaluative structures faced. Organisations and departments conceptualise their savings in ways coherent with the measurement structures they face. Organisations facing tight evaluative criteria based around in-year savings probably report their contributions as ‘managerialist’ efforts. Yet if a longer-term view becomes fashionable, local ‘managerialist’ savings may be collated into a cross-cutting ‘strategic’ programme. This may not alter the saving itself: such shifts may say more about measurement than savings. Indeed, this thesis highlights how organisations’ savings might become *overdetermined*, characterised differently in different evaluative structures.

These two observations should problematise the distinction between across-the-board, strategic and managerialist savings. Savings are reframed mid-year, and individual savings cast as across-the-board at one time or organisational level may become targeted at another. Meanwhile, the same saving may be reported in ‘managerialist’ style in one month or format and reframed within a ‘strategic’ plan in another. The trichotomy between across-the-board, strategic and managerialist savings is empirically and conceptually incoherent.

Instead, it is more productive to conceptualise savings processually, and in terms of the evaluative structures organisations face. Considering the former emphasises that individual savings ideas change. The latter highlights the evaluative structures determining the savings which are rewarded. Where organisations like Aloe face extensive demands for specific, demonstrable efficiencies, they may favour clear, simple and discrete savings. These would be contextually much more useful categories than the managerialist-strategic dichotomy.

Why are these savings selected?

The literature works extensively to discern the principle determining which savings are preferred. Answers often treat managerial preferences as constant, acontextual criteria. Were this true, such criteria could be elicited through decontextualised surveys (Leider et al., 2014; Maher and Deller, 2007). But treating preferences this way fails to explain the variation in apparent criteria across settings (p.36). Situated, interactional answers are needed.

Characteristically, the literature’s interactional answers are based on the interplay of competing interests (e.g. Glennerster, 1980). Yet Chapter 12 and Chapter 13 highlight the

plural values such decisions involve, and even pursuing comparable values might create conflict. The normative ideas and evaluative devices which seem apt in austere organisations affect their savings decisions. Reducing these to interests is misleading.

Instead, the model presented in Figure 14.1 helps investigate the types of savings likely in a given context. First, it highlights *situating work*. How the situation is constructed (**attaining** and **possibilities**) shapes the values seeming apt and how prevailing normative compromises are seen (**reconfiguring**). These *situating* movements do not directly pick certain savings over others. Yet Figure 14.1 highlights their role in shaping the **financial tests** evaluating potential savings.

Second, the figure notes the importance of the *test infrastructures* available (**reshaping engagements**). As Chapter 13 emphasises, these *infrastructures* both facilitate and deter given evaluations. Because they facilitate multiple *tests*, *infrastructure* necessary for one *test* can affect how easy it is to **conduct and contest** other tests. Under *evaluative turbulence*, they change frequently, altering the types of *tests* most easily conducted and thus the savings sought.

This does not imply such normative ideas are wholly fixed or stable. Indeed, Chapter 11 and Chapter 12 noted the changeable meaning of ‘healthcare quality’. Understanding why people make given types of savings necessitates not a static account of some principle or other but a processual account of how evaluative devices alter over time. The practices this thesis identifies characterise how these processes occur and explain why given savings are preferred in given *situations*.

How are savings made?

A final strand of the literature emphasises austere organisations’ dynamics. This examines organisations’ broad savings approaches (Cepiku et al., 2016), including how making savings shapes organisations and their governance (Raudla et al., 2013).

The level of centralisation is a common question, but one receiving conflicting answers. Strong views argue that austere organisations centralise (Raudla et al., 2013; Schmidt et al., 2017) and decentralise (e.g. Kickert, 2012). This thesis helps resolve this confusion through Chapter 12’s *cycle of opening and closing one’s eyes*. Over the year, savings seem harder, and anxious organisations centralise. As pressure relaxes, controls decrease. This cycle explains both centralisation and decentralisation under austerity. Centralisation is not a trajectory, but a rhythm.

Others investigating austere organisations ask how their approaches change over time. The most developed model of this draws on the problematic language of ‘across-the-board’, ‘managerialist’ and ‘strategic’ savings (Beck Jørgensen, cited in Dunsire and Hood, 1989). This account suggests linear progress from across-the-board to managerialist then strategic savings as returns on each approach diminish.

This thesis’s empirical data demonstrate this trend is not universal. Consequently, it explores other explanations for shifts between what studies describe as different ‘types’ of saving. I note above that these differences can be as much about categorisation as substance (p.287). Chapter 13 emphasises the difficulty of establishing and maintaining measurement approaches under *evaluative turbulence*. Maintaining a given style of categorisation is inevitably difficult. Dryas’s CIP structure proved unable to contain austerity’s full complexity, precipitating a more ‘strategic’ approach; but the more strategic Transforming Thyme’s hands-off measurement style proved incapable of providing the short-term savings demanded, prompting its shift to the managerial. Those seeking changes in savings ‘types’ would see these as puzzling movements in opposite directions between ‘managerialist’ and ‘strategic’. But seen as measurement objects inevitably destabilised by austerity, these changes are more easily explained.

Yet such high-level evaluative changes are only half the story. Smaller changes in evaluative devices are common in austere organisations. With such devices hurriedly introduced, constant ‘tweaking’ decreases certainty about evaluative standards. Invisible to higher-level process studies, such smaller changes’ accretion was central to growing organisational instability.

Beyond the literature

The above demonstrates this study’s contribution to the literature’s long-asked questions. Yet more importantly, it goes beyond them. It highlights a normally neglected element of austerity management: the search for coordination. The cycle of *opening and closing one’s eyes*, macro-level changes in evaluative structures and the constant tweaking of organisational arrangements reduces certainty, inhibiting coordination.

Something similar is noted by decrementalists and those observing disrupted routines. Decrementalists observe that large spending changes can disrupt existing assumptions, creating mistrust and inhibiting coordination (Wildavsky, 1978). Others note that scarcity disrupts budget allocation routines themselves (Ferlie and Judge, 1981). This thesis agrees, but goes further. Even if one sticks closely to the structures normally providing certainty, austerity

destabilises those structures themselves. The resultant instability extends beyond budgetary routines.

It is unsurprising that this insight has long eluded a literature reliant on private sector cutback management writing. While many note that public organisations differ in having multiple objectives (Pandey, 2010), few observe an equally important distinction: public sector organisations frequently face strict single-year budgeting rules. A literature based on private sector writing does not anticipate the instability this annual cycle creates (Hou et al., 2011). Nor are private organisations usually beset by such quickly changing goals. *Evaluative turbulence* and *cycles of opening and closing one's eyes* seem public sector phenomena.

The foregoing chapters demonstrate that such instability leaves organisations negotiating the legacies of former practices. Chapter 12 and Chapter 13 highlight how the devices by which organisations interpret and evaluate their worlds change, with challenging consequences. New formations of budgets faced resistance based on principles which supported previous iterations. New evaluative measures seem less enduring when their predecessors proved temporary. Austerity's pace and intensity of change is ideally suited to create such resistance.

This recognition is itself important but identifies three further novel conclusions. First, when coordination is difficult, acrimony can result. Too often, conflict is understood as a consequence of people protecting their interests (Schmidt et al., 2017). But this thesis highlighted disagreements unexplained by competing interests. Instead, it emphasises that people perceive uncertain situations differently, prompting disagreements. Chapter 12 highlights the differential perceptions of those closer and further from the *cycle of opening and closing one's eyes*, and consequent dispute and suspicion. Figure 14.2 reinforces that those perceiving the *situation* differently probably see different types of evaluation and coordination as appropriate, precipitating Chapter 13's coordinative failures. Acrimony represents not only clashing rationalistic interests, but situational disagreements and coordinative failure.

Second, this partly explains discursive work's importance under austerity. Attempts to get others to see a situation in your terms proved central to austerity management but are generally disregarded. Despite isolated normative injunctions to consider the persuasive stories one tells subordinates (Behn, 1980), broader austerity management theories neglect such discursive *situating work*. Figure 14.2 integrates such work into a holistic austerity management theory.

Third, and because of these earlier observations, this thesis also demonstrates the importance of an approach which spans levels from junior to supra-organisational. Its model integrates senior, strategic austerity management choices with junior efforts in savings programmes and divisions. While some practices are more important in one domain than another, the practices identified are not marked for seniority. This highlights correspondences between national and organisational discourses and evaluative practices, suggesting linkages therebetween. Vitally, it also recognises the work of ground-level staff. Emphasised particularly in **reshaping engagements** (Chapter 13), this is often central to how organisations cope. While others highlight staff's emotional work and coping mechanisms (e.g. Clayton et al., 2015), broader austerity management writing neglects such important work.

When I tell people about this research, they often make a joke. 'I'm researching how healthcare organisations manage austerity', I say. 'Well, badly!', they respond. The wider discursive climate and organisations' outcomes make it easy to assume staff do a bad job. Yet this thesis highlights their environment's uncertainty and instability. Without ignoring dysfunctions, we should be equally struck that organisations manage as well as they do. With work exceptionally difficult, this study highlights the competencies merely continuing to coordinate requires.

Implications beyond austerity management

This thesis locates itself within the austerity management literature, deploying RE for that purpose. But doing so necessarily develops RE to suit the analysis of austerity's broad, unstable environment. This entails an expanded understanding of the *test* and infrastructure to theorise the relation between several tests within an environment.

Developing the test

Understanding individual *tests*' turbulence under austerity required an elaborated model of the *test*. Writers generally consider *critiques* of *tests* as based on disputes about the **criteria** by which the test differentiates the *worthy* from the *unworthy* (Gond, 2017). While these **criteria** are important, they are not the only basis on which *tests* face critique. Instead, Chapter 13 highlights test **constituents** including the tested **actor**, **practical apparatus** and the test's **pertinence**. Each can be contested

Only by distinguishing between these **constituents** can this thesis identify their interdependencies. This is crucial to Chapter 13's argument, but also of wider theoretical importance. It gives us an extended critical vocabulary with which to analyse how *tests* are *critiqued* and highlights previously unnoticed forms of contestation. Simultaneously, it

indirectly highlights the **constituents** constituting a successful *test*, enabling more nuanced understanding of such *tests* even when uncontested. Understanding the **constituents** required for a successful *test* supports EW/RE more broadly.

Understanding austerity's turbulence means understanding how fiercely contested circumstances are solidified into approachable *situations*. This highlighted the discursive work shaping the solidified *situations* on which most RE/EW analyses focus (Chapter 11).

Understanding this *situating work* proved vital to understanding some organisational challenges under austerity, where it became difficult to solidify fissile, disputed situations (Chapter 11, Chapter 12). Yet *situating work* is not a phenomenon of austerity alone, but of *situations* per se. EW/RE analyses would be well advised to start by critically interrogating their *situations'* origins. *Situating work* carries out vital activity before EW generally conceptualises a dispute as having started.

Test sequences and infrastructure

This thesis also contributes theoretical devices by which to embed *tests* in their organisational contexts. First, it develops Thévenot's idea of *opening and closing one's eyes* by identifying why predictable cycles of change develop across multiple *tests* (Chapter 12). This can thus explain how a diversity of *tests* exhibit similar changes over – in this instance – a financial year. This concept thus helps explain temporal patterns affecting multiple *tests*.

Second, it highlights the organisational arrangements which support multiple *tests*, like governance structures (Chapter 13). These *test infrastructures* become visible under austerity because they frequently change but are present across organisational contexts. Because they support multiple measurement devices, and better suit some than others, these *test infrastructures* alter the relative *investment* required to implement different *tests*. Accordingly, they can help explain why certain types of tests might co-occur, and analyse changes affecting multiple evaluative devices.

Third, it highlights that the *tests* and *forms* Thévenot analyses are processually dependent. Both Chapter 12 and Chapter 13 describe scenarios in which prior versions of a measurement structure problematise latter ones. This explains why continual changes in *situations* or evaluative devices are difficult: future formulations are relativised by the memory of prior incarnations. Such sequences can prompt *resistance to oneself over time*. Recognising such dependences and inhibitions can help analyse sequences of *tests*.

Expanding the regimes of engagement

These developments significantly elaborate RE. Both deepening our analysis of the *test* and theoretically extending beyond individual *tests*, they enable better scrutiny of such evaluative devices. They share a commitment to analysing *tests* processually, both in terms of changes within and between tests.

Of course, these developments are particularly useful in circumstances comparable to austerity. Yet austerity's effects here sprang not from financial scarcity per se but from attempts to coordinate under extreme constraints. Such constraints prompted the *cycle of opening and closing one's eyes*, and were embodied by the diverse measures of *evaluative heterogeneity*. Under comparable constraints – like requirements to report certain outcomes from budgeting or other measurement regimes – we might anticipate similar outcomes.

Implications for policy, practice and society

This thesis gets closer to people's practices when managing austerity. With little other literature adopting this aim, our understanding was insufficiently advanced for this work to focus on normative recommendations (Pettigrew, 1987, p.655). Consequently, it aimed to chart this territory as a foundation for analyses with more normative intentions. Yet getting closer to practice has proved surprisingly revealing of organisations' and peoples' challenges. This subsection highlights implications for policymakers, organisations and staff.

Publications disavowing an overtly normative standpoint generally focus on recommendations to whole 'organisations'. Yet, such advice generally turns out to advise senior managers on how to achieve their goals. An understandable reaction against so-called 'critical' writing's combative stance towards such official actors, this is not 'neutral'. Rather, it represents a perhaps inadvertent normative preference for existing organisational hierarchies. Such a normative orientation could certainly be justified: but not by avowing a non-normative standpoint.

To avoid this mistake, the observations that follow address the variety of actors encountered in this research, including staff both implementing and opposing austerity measures. This avoids the tacit normativity of much so-called 'neutral' organisational literature and stimulates more rounded thinking about research insights' practical implications. This section therefore addresses six thematic sections, each of which highlights observations of potential value to several actors. They address i) uncertainty; ii) 'ambitious' budgets; iii) the language of existential threat; iv) quality; v) evaluative devices; and vi) coordination.

Austerity and uncertainty

Austerity means far more than financial scarcity. Its profound uncertainty can undermine organisations' operations. Organisations found that austerity limited their planning capability, altered the meaning of the normative referents they relied on and prompted a plurality of difficult-to-combine measurement standards.

Too often, policy debates about austerity focus exclusively on whether organisations can cope with the financial losses. They should focus more on whether they can cope with the uncertainty. Supporters of austerity often frame their arguments in terms of areas of 'waste', suggesting that organisations can therefore afford austerity reductions (Green, 2010; McKinsey and Company, 2009). Opponents often accept this frame, disputing certain areas of waste (Grice et al., 2010; Ramesh, 2010a). Considering austerity's uncertainty and wider consequences could produce healthier debate and better policymaking.

This would particularly counsel against the policy style that sees major organisational changes accompany austerity. While major changes can sometimes aid longer-term savings, governments too often appear to use major change to justify or distract from austerity, at least in the UK (Chapter 11; Lowndes and Pratchett, 2012; Savage, 2018). While such measures might be politically astute, they increase the uncertainty which is one austerity's central problems. Considering austerity as a reduction in both funding and certainty should lead governments to more robustly consider its merits.

While supporting consideration of whether austerity should be done, this thesis should also prompt thinking about how to do it. While some *uncertainty* mentioned above seems unavoidable, some was perpetuated by routine changes in evaluative regimes. Existing literature encourages governments and organisations alike to seek the right structure and the right category of changes. Changes might be merited: devices adequately managing normal times become destabilising under austerity. Yet this thesis reveals the cost of regular and significant structural, situational and evaluative changes. Governments and organisations might be wise to consider their destabilising effects before embarking on them.

Yet organisations face a bind: between not adapting and remaining poorly designed to manage austerity; or adapting so quickly and frequently as to destabilising these arrangements. Guidance on managing this tension is necessarily speculative. However, as each change in a structure appears destabilising, the optimal path may involve resisting short-term urgency and taking time to design a new system, limiting later tweaking.

Budgetary realism

Formal budgets are central to austerity management regimes. Much uncertainty appeared to stem from mandates or severe incentives to set unrealistic budgets. The STF regime effectively made large amounts of hospitals' funding conditional on reporting 'compliant' budgetary plans. This precipitated budgetary reports about whose feasibility senior managers were unsure. This prompted the annual *cycle of opening and closing one's eyes* that destabilised organisations' understanding of their situations and evaluations of strategic options.

Policies that pressurise organisations to predict certain financial outcomes make budgets diverge from reality. Such documents are unhelpful in planning. Sometimes, they created pressures that rippled through organisations, hurting relationships, worsening working lives and unsettling quality guarantees. This culminated in revisions to initial budgets or the use of reserves to fill gaps. Such organisational damage would be a heavy price to pay for better financial *outcomes*, let alone for more politically palatable financial *predictions*.

Governments should be reluctant to create coercive rules around budgetary planning in circumstances where achieving compliant budgets might be unfeasible. This is pertinent beyond UK healthcare. UK local authorities are legally obliged to report balanced budgets (*Local Government Act, 1972*). Whether such steps are prudent in normal times is debatable. But when they create near-impossible requirements, they risk detaching budgets from reality.

It is difficult to know how to advise organisational actors facing such dilemmas. Complying with them when unrealistic jeopardises planning; but so can the financial and regulatory consequences of disobedience. Perhaps where senior managers must make strained budgetary promises, senior managers should remember this strain and judge divisional efforts leniently. Notwithstanding external pressure to meet reported plans, equivalent internal pressure may be unconstructive.

Meanwhile, austerity's opponents might draw attention to the *open eyes* with which budgets are constructed and the rules requiring this. Opponents might be individual divisional staff keen to avoid excessive savings in their division. But they might also be senior managers or organisations or representative organisations lobbying nationally. Clear accounts linking the budgets demanded to clinical consequences may help limit unrealistic demands (p.224).

Discursive caution

Unrealistic budgets and high uncertainty made life difficult in our sites. These organisationally unavoidable vicissitudes of austere life were not helped by the sense of existential threat some

organisations felt. This sprang both from the national environment and deliberate organisational efforts to incite recalcitrant employees to vigorously seek savings. Yet its success in this latter aim seemed limited. Instead, it made organisations feel unstable and short-termist, undermining coordination.

Where organisations were tied too closely to the national debate, its uncertain developments could destabilise them. Thyme tied itself into national narratives, casting itself as both subject to and shaping national trends. Here more than anywhere, staff's readings of the national debate and its many changes seemed to shape their interpretation of Thyme's situation.

Whether drawn from the national debate or their own apparently precarious finances, organisations shared this sense of instability and urgency. While urgency need not be negative, the tone of threat seemed inimical to circumspection. The focus on the short-term, while partly motivated by concrete STF obligations was not helped by narratives of 'sinking', 'survival' and 'black holes'.

It need not be this way. Organisations could reject the language of emergency in favour of an atmosphere of circumspect determination. This might be achieved by describing financial risks but acknowledging they were not yet immanent. Operationally, this might involve linking divisional savings to the ability to afford longer-term developments. Senior staff would need to distinguish the more immediate threats they individually faced from longer-term organisational threats. This narrative could avoid the desperation contributing to organisational short-termism.

It would also have the advantage of being more plausible and robust. Narratives of threat and regulatory 'henchmen' seem particularly subject to disbelieving staff's critiques. Accounts of existential threat thus not only risk short-termism, but also acrimony and opposition. More circumspect narratives supporting savings are less vulnerable to critique.

At times poor financial performance will threaten immediate consequences. I make no judgement about whether this was so in these sites. But such claims are most plausible when only articulated once needed. It would also be helpful to articulate them in the nuanced, circumspect manner managers did in interview, highlighting specific potential regulatory problems. These were more intuitively plausible and less fuelling of short-termism than metaphors of organisational death. Organisations may be well advised to exercise a similar 'discursive caution' outside interviews.

Preserving quality

Nobody I encountered wanted to reduce what they saw as the fundamentals of healthcare quality, and few felt quality should reduce from current levels. However, without being willed to, quality and access compromises did arise. Particularly where organisations were strongly committed to maintaining quality, suggesting such compromises seemed taboo, however difficult avoiding them was. This could mean they occur despite being discussed only euphemistically, or not at all.

Perhaps most unfortunately, it progressively thinned the concept of 'quality'. As pursuing a broad conception of quality became difficult, organisations increasingly targeted a 'quality' concept rather closer to 'safety'. Naturally, protecting safety is good. But its increasing dominance seemed to reflect a diminishing consideration of other quality factors like outcomes and experience. The language of improving 'quality' was also increasingly used to describe activities likely to improve the quality not of care, but of efficiency-releasing *processes*.

This observation has different implications depending on organisations' levels of financial stress. Organisations believing they can preserve quality may do well to be more explicit early on about what they mean by 'quality'. This is a delicate balancing act, as being too precise about quality and its *compromises* with other values could surface contradictions and undermine those *compromises* (Boltanski and Thévenot, 2006). However, where it is believed quality can be maintained, a greater specification of the broad domains it includes may be helpful.

In organisations where quality reductions seem inevitable, honesty may be preferable. Speaking plainly, and acknowledging reductions in quality or access, may be painful and could result in unwanted regulatory or commissioner attention. But it is likely to enable more reasoned consideration of trade-offs and better strategic choices. Moreover, impacts on quality are likely evident at the frontline. When senior managers speak as if they are not, they lose credibility.

No matter the likely impacts on quality, it seems unlikely that it will be beneficial to separate conversations about finance and quality. Isolating QIAs from financial considerations is superficially attractive, but difficult to realise. QIA practitioners appeared firmly aware of financial context, but others cast QIAs as dealing with quality, freeing them to focus on finance. It may be more effective to ensure a single forum at each level was responsible for savings' financial and quality consequences to avoid this *uneven segmentation*.

Evaluative parsimony

The *evaluative turbulence* sites encountered made coordination difficult. Life would have been considerably easier for organisations had their contexts more closely mirrored early academic models thereof. Had the organisational budget truly been the single ultimate objective of austerity management, it might have been easier for people to know their aims. However, *evaluative heterogeneity* increased measurement labour, reduced goal clarity and imperilled coordination. A more successful approach would avoid augmenting organisations' uncertainty through a more parsimonious measurement landscape.

Multiple actors could help. Governments could directly reduce the evaluative criteria created and avoid multiple measures of one thing. This would require measures organisations could replicate internally and consistency about the actors evaluated. Organisations themselves could contribute to this parsimony through similar efforts, and by repurposing external measures internally where appropriate.

Meanwhile, opponents of austerity might play on this plurality to emphasise all such measures' relativity. More successful resistance in this study emphasised that things could have been measured differently. Rather than simply decrying a given measure, it is more promising to highlight the fact that which measure is used is a choice.

The struggle for coordination

Considering these observations, organisations should recognise that austerity presents a struggle for coordination. Traditional coordination approaches, like standard governance structures, or CIP measures premised on financial stability, are unlikely to suffice. While considering how to save, organisations should consider also how to retain coordination.

While uncomfortable, resisting moral separation may be sensible. Openly discussing savings and their rationales, accepting critical perspectives even if they seem 'political', may make genuine coordination more likely. Such debate could better legitimise subsequent plans and coordinate across groups which might otherwise withdraw.

Austere organisations frequently attempt to coordinate through earmarked savings functions. This thesis encourages caution in their design. First, it is important to clarify their parameters such that their remit clearly includes something, but not everything, important. Both such programmes in this study faced boundary difficulties, either given an ever-expanding scope, or insufficiently articulating a place for themselves. Second, organisations should be cautious when defining such remits around traditional savings initiatives like CIPs which assume broader

financial stability. A CIP programme may be effective within its parameters but should not be taken as a 'magic bullet': equally thorough governance of wider financial outcomes remains necessary.

Finally, organisations seem well advised to ensure intensifying scrutiny does not undermine organisational relationships. Based on these cases, it seems likely both that austerity will pressurise the relationships which could enable coordination when traditional governance fails. Preserving relationships might mean avoiding superficially logical, but harsher, governance strategies. Where simply understanding the situation becomes difficult, honest, trusting relationships are invaluable.

Organisations would similarly be wise to attend to staff's capacities to create ad hoc solutions where formal coordination fails. Junior and middle-ranking staff may be vital here. Austerity makes ensuring adequate capacity there difficult; but this may be vital if traditional structures cannot contain austerity's vicissitudes.

These coordinative difficulties are both a weakness which opponents of austerity might highlight and a threat they should beware. Opponents might play on coordinative ambiguities, including relativising governance systems by highlighting their lability. Yet they should beware that coordination failures may increase staff pressure (marrying the inconsistency).

Indeed, ground-level actors with any perspective should recognise senior managers' likely coordinative difficulties. Whether attempting to implement an austerity programme through a PMO, to retain divisional primacy or to mitigate austerity's effects, staff are more likely to succeed if they offer effective coordinative approaches. Senior managers seeking coordinative efficacy may see value in a PMO that helps coordinate with divisions; in an 'improvement' function that unites clinicians and managers; or in operational structures that themselves facilitate such coordination. Such units help with their key dilemma: how can work remain effectively coordinated under austerity?

Engaging with austerity: directions and limitations

The above observations tentatively highlight implications for practitioners. Their tentativeness itself is significant. Austerity places practitioners in a bind in which neither stasis nor change seems adequate. The evaluation devices, ways of seeing one's *situation* and normative compromises used in normal times are poorly designed to support coordination under austerity. But changing them to fit austerity can further destabilise coordinative arrangements.

That austerity management academics must better recognise this bind is this thesis's key conclusion. We cannot describe the austere situation without acknowledging such difficulties. Those proffering normative recommendations must advise not fictional rationalists who affect austere situations from outside, but the real managers already bound up in austerity's complications. Academics must treat the struggle for coordination as real.

This central contribution came in three parts. Chapter 11 highlighted the importance of *situating work* across settings, but specifically under austerity. Collating its insights with those of other chapters emphasises the national-local dependencies which make it harder for organisations to *situate* themselves. In a complex, discursively contested situation, simply knowing where you are is a struggle.

Chapter 12 elaborates this claim, highlighting the annual cycle of instability austerity's tight financial governance precipitates. By demanding acceptable financial predictions, blame-avoiding governments (Boin et al., 2009) can worsen organisational uncertainty. Such dynamics precipitate *cycles of opening and closing one's eyes* that leave organisations' understandings and evaluations of their *situations* in flux, undermining coordination and creating acrimony.

Developing this, Chapter 13 highlights how such *situational instability* combines with *evaluative heterogeneity* to create *evaluative turbulence*. Such *turbulence* entails difficulties settling on clear criteria to evaluate organisational work given the presence of so many alternatives. With coordination difficult, organisations frequently alter their *test infrastructures*. Yet these face the same *turbulent* environment, leading not to newfound stability but ongoing change. Actors are left uncertain what to do, with no coordination mechanism effective: a *triple crisis of coordination* occurs.

Limitations and further research

This work opens new directions for research in austerity management and RE. Most importantly, it reframes austerity management as a situated practice. Where writers have long focused on savings' content, this research demonstrates the necessity of interrogating the practices by which those savings are selected, managed are made. It thus advocates a research agenda based on austerity management as practice.

This thesis scratches the surface of this practice-based agenda. Further interrogations of austerity management practices could doubtless develop upon the practices identified here. Such research might follow this study in investigating austerity management writ large,

seeking to confirm, dispute or expand upon the range of practices identified here. Research in contrasting settings, like politically-led organisations under high financial strain (e.g. UK councils) could be particularly valuable here.

However, the practices identified here enable an alternative research strategy. They highlight distinct areas of austerity management, which could each provide useful focus to subsequent investigations. For instance, this study identifies that organisations **reconfigure quality**. Further research could pick up on this to trace changing quality referents during austerity using corpus linguistic or discourse-ethnographic methods. The practices identified here could each comparably focus further study.

This practice-based study's key conclusion is that austerity management constitutes a search for coordination. This raises questions about how organisations can succeed therein. Future work might ask how those organisations coping best with financial pressure achieve coordination. Given some of the main reasons coordination was difficult here originated in national policy, such studies may be well advised to compare organisations across sectors or states. This could identify not only the organisational but also policy determinants of successful coordination.

These coordinative problems were fuelled by the landscape of change in which austerity management occurs. The annual cycles identified here deserve further research. First, such research should expand our time horizon beyond the single years investigated here: how do such patterns recur and change over several years? Second, what other dynamics are they involved in? Austerity management research regularly investigates centralisation, evaluation and change management. Investigations of how these change over these annual cycles could productively progress those debates.

Finally, this practice-based research raises questions about what happens next. If austerity management has created mutually reinforcing dynamics of destabilisation as this study suggests, will the end of austerity mean the end of these dynamics? Or will these established practices continue to affect organisational life even when funding returns? Research does not interrogate how organisations 'leave' austerity periods. Considering the practices established during austerity and how they continue or change offers an incisive way of conducting overdue research on emergence from austerity.

The research similarly suggests new avenues for RE by locating it better within organisational processes. This highlighted a *cycle of opening and closing one's eyes* arising through austerity's

evaluative pressures. Such cycles seem likely in other instances where regulators impose requirements of questionable feasibility according to predictable timetables. Patterns of *opening and closing one's eyes* could be productively investigated in other environments with predictable evaluative calendars, like regular inspection regimes or even elections.

Locating RE within organisational contexts highlighted the cross-cutting *test infrastructure* supporting multiple tests. This highlighted some *tests'* interdependence and enabled conclusions above the level of the individual tests. While here such arrangements proved easily destabilised, one wonders whether they might create mutually reinforcing relationships between *tests* outside austerity. Research in other contexts, like non-austerity PMOs or highly regulated environments might investigate how *test infrastructures* affect the *tests* they facilitate in normal times.

A final category of RE research this study enables exploits its identification of four components of a successful *test*: criteria, actors, prescience and apparatus. Distinguishing between these could better explain why *tests* succeed or fail, and how attacks on them operate. It seems unlikely that which component an attack targets is irrelevant to its success. Research could investigate the dynamics and fortunes of attacks on each in public controversies.

This study is enabled and constrained by its methods. Identifying practices is notoriously difficult. Those writing in anthropological or ethnographic sociological traditions might rightly be satisfied with the credibility of time in the field. But organisation studies increasingly requires detailed, articulable analytic methods. Consequently, this study's approach to identifying practices works from identification of their basic manifestations – like actions and situations – up to practices themselves. Practice-based organisational studies could fruitfully draw on the same approach regardless their more specific theoretical framing.

Yet this study was based on less than 12 months' observation at each site. Detailed cases are hard to construct in this time, particularly when the financial year's rhythms prove vital. This disadvantage was mitigated by staggering research across sites, but unavoidably limits this study.

Inevitably, this study's methods were interpretative, and conducted by a situated, positioned researcher. I review above my personal and political perspectives. While not attempting a normative study, I was my own research instrument. The detailed coding scheme above somewhat limited my influence, and its systematic nature provides guarantees against cherry-picking. Yet judgements about meaning and relevance are inevitably my own. This is

unavoidable, though concerns about my interpretations are partly allayed by checks of my narratives with sites and continual engagement with supervisors.

This study's data were limited to healthcare sites in a particular time and place. The discursive, policy or sectoral exigencies here may not be present in other austere settings. Certain policy instruments, like the STF, were important in shaping the outcomes identified. Healthcare decisions' overt moral charges made frankly debating quality trade-offs especially difficult. We should be cautious when generalising from these cases, and comparative work in contrasting settings is merited.

Nevertheless, there are good reasons to think similar practices would prevail. The policy and discourse identified here sprang from incentives to gain assurance about austerity's progress and politically represent it as successful. Managers and politicians elsewhere likely experience similar imperatives. These expectations are coherent with the broader theory used to explain the outcomes this study observed, which is itself backed by a wealth of empirical work, supporting generalisation from that theory. While perhaps iterated differently, there are good reasons to expect similar dynamics in other austere situations.

Should I conduct a comparable study again, I would maintain the broad design, but amend certain methods. When analysing national texts, I would take more advantage of corpus analytic methods, including when sampling for qualitative CDA. Having experienced fieldwork, I understand better its ability to open researchers to multiple interpretations of their data. I would thus be less nervous about being too deductive, and more quickly use categories from Thévenot and 'dictionaries' of Boltanski & Thévenot's 'worlds' (Patriotta et al., 2011) to structure my coding. This would increase its demonstrable theoretical coherence without becoming less faithful to my sites. Finally, should time and resources allow, I would gather more systematically organisational measurement and prediction devices. Among other analyses this could support the annual cycle found by tracing organisations' changing financial predictions over time.

Concluding remarks

This conclusion highlights this thesis's key contribution: a recognition of austerity's coordinative challenge. Based on this, it emphasises managers' difficulties stabilising their situations given *evaluative turbulence* and *cycles of opening and closing their eyes*. These two concepts, elaborated in Chapter 12 and Chapter 13 explain organisations' *situational* and *evaluative* instability.

RE enabled this by avoiding the austerity management literature's presumption: that coordination is generally possible, and the question is which decisions managers should take. Instead, RE depicts coordination as a defeasible achievement, garnered despite a resistant world. Austerity renders unreliable previously successful ways of knowing and evaluating situations, prompting cycles of implementing, critiquing and replacing new measures.

From this core conclusion, several further observations spring: i) our traditional means of categorising savings are problematic; ii) types of savings, centralisation and acrimony are seasonal; iii) savings decisions are inflected by changing, plural normative values; and iv) austerity management entails continual, low-level turbulence. These observations each significantly contribute to austerity management research.

Reaching this point necessitated significant developments of RE. First, recognising discursive *situating work's* importance; second, identifying *cycles of opening and closing one's eyes*; third, conceptualising *test infrastructures*. Each enable austerity management analysis, but also broader RE research.

Reading organisational research often leaves the impression that staff are foolhardy or, worse, malign. Dysfunction is easier made interesting than function. This study observed scope for improved approaches. But its central message is that staff work in circumstances whose difficulties austerity management research ill appreciates. Only by recognising that uncertainty is rife and coordination far from guaranteed can accurate analyses be developed, or meaningful recommendations proffered. Only these will do justice to the complexities oft-unwilling austerity managers daily encounter.

Appendices

Appendix 1: Typographical and naming conventions

This thesis adopts a number of conventions in how it names people, organisations, and the various analytic and theoretical constructs it deploys. This appendix is designed to clarify these for transparency and clarity.

Individual and organisational names

To avoid compromising participants' identities, this thesis avoids naming individuals altogether, preferring brief, general descriptors of their organisational role. While I do not on principle avoid communicating genders (e.g. where a gender is communicated in speech directly quoted from an interviewee), I prefer gender neutral language where possible.

To enable access and to encourage open and frank conversation, organisational identities are also obscured. Research sites and other sub-national organisations are therefore not named with their true names, but with pseudonyms. To avoid any implicit reference to the nature of the organisation in these pseudonyms, the names given are those of shrubs, chosen at random from a list of common such names. To further protect organisations' identities I sometimes replace the name of a programme, meeting or device they use with an altered or genericised alternative. To avoid clumsy or distracting reporting, these pseudonymisation steps are not remarked upon in the text.

Practices and theory

The analytic core of this thesis centres around a coding hierarchy of 'practices'. The top level of this hierarchy consists of five 'core practices'; the rest are referred to as 'sub-practices'. To clarify what is being referred to at each stage of the document, 'core practices' are referred to in bold, sub-practices underlined. This leaves italics as a device to pick out technical terms drawn from theory or abstracted from this work.

Appendix 2: The NHS Context

This thesis describes four cases of austerity management in and around the UK's NHS. This appendix outlines that system to enable readers unfamiliar with the UK system to understand and contextualise these cases. This aim falls significantly short of a full description of the NHS's complexities. For a more detailed account of the NHS's contemporary structure, see National Audit Office (2017); for a political overview see Klein (2010, 2015); and for an analysis of its more recent reforms, see Exworthy et al (2016).

This Appendix therefore consists of three sections: a brief introduction of the NHS, an account of key structures and financial flows, and an outline of its recent fortunes in terms of costs and outcomes. This last section is brief to avoid duplicating Appendix 3 (pp.322-332), which deals explicitly with the NHS's recent financial troubles and cycles of reform.

Introducing the NHS

The NHS is a publicly funded healthcare system. Formed as part of a new post-war compromise, it provides every citizen with more-or-less comprehensive healthcare free at the point of use (Timmins, 1995). Originally operated through direct state provision coordinated by central government and its agencies, it has been subject to repeated cycles of market-based reforms (Ferlie et al., 1996). Since the 1980s, a structural division of organisations into 'purchasers' and 'providers' has been entrenched, paving the way for the increasing involvement of non-NHS providers.

Today's NHS is among the world's largest employers (Nuffield Trust, 2017b). Aside from family doctors, 1.2m people work in the NHS. Of these, around 120,000 are doctors; 325,000 nurses; 36,000 managers; 166,000 other non-clinical support staff; 387,000 clinical support staff; and 162,000 scientific, therapeutic and technical staff (NHS Digital, 2019b). On top of these are 222,000 general practice staff (NHS Digital, 2019a). Maintaining this level of staff has recently become increasingly difficult, with limited investment in training and the UK's plan to leave the European Union making recruitment increasingly difficult (Health Foundation et al., 2018).

Together, these staff 'deal with 1 million patients every 36 hours' (NHS Confederation, 2017). Of these, around 90m per annum are outpatient appointments, 16m inpatient admissions and 23m visits to Accident and Emergency departments. Historically, the NHS's care has been positively reviewed relative to international comparators (Davis et al., 2014; Schneider et al., 2017). However, such favourable comparisons have often been based more of the NHS's impressive efficiency and access guarantees than the quality of its healthcare outcomes (Dayan

et al., 2018). Nevertheless, the NHS has historically enjoyed very strong support among the population (Robertson et al., 2018).

Structure and financing

Today's NHS operates as a highly regulated market for publicly funded healthcare. Since the 1980s, organisations have been divided by role into 'purchasers' and 'providers'. The idea is that the former make decisions about which services should be bought for citizens in their area; and the latter provide them (Ferlie et al., 1996). Reforms of the 1990s and 2000s reinforced this division, and opened NHS markets to non-NHS providers.

As much as such reforms can be traced to 'free' market ideas, the NHS's market remains highly regulated (Ferlie et al., 1996). Market participants' care quality and financial affairs are closely monitored. Perhaps more fundamentally, transactions themselves are subject to substantial regulation, which often determines the price at which given services can be bought and sold. Accordingly, understanding the NHS entails understanding not only purchasers and providers, but also transactions and regulators. It is with this latter two that this section begins.

Transactions

Transactions within the NHS are subject to extensive regulation. The most important element of this is the national tariff, which establishes the base prices to be paid for various units of healthcare activity. The tariff was introduced gradually during the early 2000s, and today determines the base price of most units of hospital care (Appleby et al., 2012). This means most care is paid per unit of activity: the idea is to facilitate quality-based 'competition' between providers by making money follow patients.

Yet this only tells part of the story. Various modifiers have been applied to the base tariff, such as quality incentives, an 'efficiency factor' to reduce prices, and reduced payments above certain activity levels to encourage reductions in volumes (Appleby et al., 2012). Large tranches of activity remain paid for outside the national tariff. Particularly in mental health, 'block' contracts, which do not vary payments with volumes of activity, remain common (NHS Providers, 2019).

Despite such exceptions – and often because of the modifiers added to it – the national tariff remains central to NHS finances. Before 2013, responsibility for this key policy lever was retained in the DH. Since then, however, responsibility has been handed over to two of the NHS's most important regulatory bodies: NHS England and the financial regulator – then known as 'Monitor', today 'NHS Improvement'.

Regulators

NHS England is formally responsible for running the English NHS. It has extensive delegated authority from the DH to write the rules according to which the NHS operates (Department of Health, 2013b, 2014), including the creation of new organisational structures (Edwards, 2016). It produces strategic documents like the *Five Year Forward View* (NHS England, 2014) and operates seven regional offices with coordination and monitoring functions. With other regulators, it has intervened in individual organisations deemed to be failing. As the holder of overall responsibility for the provision of healthcare in England, NHS England is hugely influential. The *Health Service Journal* (HSJ, 2018), healthcare's main trade journal has consistently ranked Simon Stevens, NHS England's Chief Executive, as the most influential person in today's NHS, even above Secretaries of State for Health.

Aside from NHS England, the NHS's financial regulator has been among the Service's most consistently influential bodies. The *HSJ* ranks its Chief Executive the third most influential person in the NHS, behind only Stevens and Matt Hancock, Secretary of State for Health. In 2008, the regulator was called Monitor, and was tasked with approving organisations who wished to become 'Foundation Trusts', and then regulating successful applicants (*Health and Social Care (Community Health and Standards) Act*, 2003). Foundation Trusts were a new organisational form for healthcare which gave hospitals increased autonomy, particularly in terms of their finances. Reforms in 2012 saw Monitor gain further powers and responsibilities for the broader financial regulation of the sector (*Health and Social Care Act*, 2012).

In 2016, Monitor was merged with a related financial regulator to create NHS Improvement, the body which oversees organisations' finances today. Today, NHSI has wide-ranging regulatory powers. It sets tariff prices (*Health and Social Care Act*, 2012), determines financial rules and can intervene in trusts deemed to be 'failing'. Many such powers it holds in collaboration with NHS England. In apparent recognition of this overlap, 2019 will see the two 'come together to act as a single organisation' (NHS England, 2019).

Alongside this financial regulation stands the CQC, the NHS's quality regulator. It analyses high-level data and carries out an inspection regime. Its ratings of organisations are among the headline indicators of their overall quality. Where standards are insufficient, they are empowered to place organisations into special measures, and closely monitor their activities (Care Quality Commission, 2015).

Purchasers

Market reforms created a cadre of organisations dedicated to purchasing healthcare. They were supposed to examine the available healthcare providers, assess levels of need and contract to purchase the services required from the best available providers (Wenzel, 2017). In practice, this ‘commissioning’ can involve changing the services which are and are not funded, including through designing new service specifications and inviting bids. Their work also involves detailed negotiations with providers about annual contracts. While usually bound by the national tariff prices, commissioners do have significant freedoms around the volumes they commission, and, at times, the amounts they pay (*Health and Social Care Act, 2012*). Following contracting, commissioners operate as contract and performance managers, and often develop close relationships with their providers.

This ‘commissioning’ happens at both national and local levels. Services commissioned nationally are those at both ends of the spectrum of specialisation: highly specialist care not practical to commission locally, and primary care services dealt with through national funding formulae. The breadth of other services – acute, mental health, ambulance and other community services are commissioned locally (King’s Fund, 2017a).

Commissioning organisations have been a site of recent reform. At the start of the study period (2008), local commissioning was done by around 150 Primary Care Trusts (PCTs) (NHS Confederation, 2011). They received funding through a ‘weighted capitation’ formula which gave them money according to the number of people in their area adjusted by indicators of likely need (Appleby, 2008). With this, they were responsible for maintaining and improving the health of their local populations. They achieved this through commissioning providers to offer services, though many also had a ‘provider arm’ which directly provided community services.

The early 21st Century saw extensive changes to local commissioners. By the start of 2009, the DH required PCTs to drop their ‘provider arms’, making them pure commissioning organisations (Ford, 2010). But the early years of the 2010 Coalition Government saw further, more radical change. As part of Andrew Lansley’s widespread reforms, PCTs were to be abolished and replaced by CCGs.

The Health and Social Care Act (2012) introduced a range of structural reforms to the NHS, but central among them was the introduction of CCGs. Notionally, these were to be more clinically based organisations, focused on local GPs (family doctors). However, apart from having fewer resources, they were comparable to their PCT predecessors. Around 210 CCGs were to be

created, meaning they covered similar populations to PCTs (Naylor, 2012). As of 2012, it was CCGs who would be responsible for local commissioning.

Reform also affected the course of national commissioning. In 2013, NHS England was established, creating an arms-length agency to manage the NHS outside the DH. Originally titled the NHS Commissioning Board, one of NHS England's key responsibilities was to take on specialised commissioning decisions.

Providers

NHS England and CCGs fund the provision of healthcare services from various types of providers. Health services are traditionally split into 'primary care' and 'secondary care' organisations. The former are family doctors who provide general diagnostic, therapeutic and preventative services; most small communities will have primary care services. 'Secondary care' include services which require more urgent or specialised treatment; one might have to travel within a city or region to access secondary care. Some further distinguish tertiary services, which offer care so specialised there may be a handful of national centres addressing a given treatment or procedure.

In the UK, primary care has historically been provided not by public organisations, but by partnerships of GPs who make profit on the difference between their funding and expenditure rather than drawing conventional salaries. While this is changing, with an increase in salaried GPs and more traditional private corporations (Virgin Care, n.d.), it remains the predominant model of primary care provision.

The key providers examined in this thesis are secondary care hospitals. NHS hospitals have gained increasing autonomy as the internal market has become dominant (Ferlie et al., 1996). In 2004, the Foundation Trust structure was introduced (Department of Health, 2005). The aim was to give those organisations who could prove their financial viability extra autonomy, freeing them to act as market actors. Today, most hospitals are Foundation Trusts (NHS Confederation, 2017), though regulatory action and funding constriction has limited much of the autonomy they were initially intended to have (Collins, 2016).

NHS hospitals are organised to provide a range of different services. The 'district general hospital' characteristically provides care for an immediate local population. By contrast, specialist hospitals provide some tertiary services in addition to or instead of these district-based services. Generally, mental and physical healthcare is provided by different organisations. Physical health hospitals – or 'acute' hospitals – provide outpatient and

inpatient consultations. Mental health hospitals are more outpatient-based, often also providing a wide range of community-based services.

When the NHS's internal market was initially established, it was truly internal. Within the secondary and tertiary care sectors, competition was between NHS providers (Cribb, 2008). Reforms under the New Labour Government of 1997-2010 opened the door to the use of private sector providers (Timmins, 2005). Lansley's reforms intensified this with controversial plans to allow 'any willing provider' to sell services to the NHS should patients choose to use them (Walshe and Ham, 2011). While most services continue to be provided by NHS providers, there are today 853 private- and third-sector organisations providing NHS care (NHS Confederation, 2017).

It is worth observing that CCGs and providers often exist in a many-to-many relationship. Particularly larger providers often cross CCG boundaries, meaning they manage multiple contracts with multiple CCGs. Meanwhile, CCGs necessarily contract with a plurality of providers. While some mechanisms like 'lead commissioner' models attempt to reduce this complexity (Camden Clinical Commissioning Group, n.d.), it remains considerable.

Care, cost and outcomes

Notwithstanding repeated claims that the NHS could and should be more efficient (McKinsey and Company, 2009; Lord Carter of Coles, 2015, 2016; Hunt, 2014), the NHS is highly successful in ensuring efficient care and controlling cost relative to international comparators (Davis et al., 2014; Schneider et al., 2017). Unlike many systems, the NHS entails a strong primary care gatekeeping role: patients cannot simply report to most non-emergency secondary care services but require referrals from their GP. This, combined with the broad role GPs fulfil appears to effectively limit cost.

Unsurprisingly therefore, demands to increase NHS productivity by as much as 4% have met limited success (Nicholson, 2009). These 'unprecedented' achievements have remained elusive, and what improvement there has been comparatively modest (Appleby et al., 2014, p.15; Bojke et al., 2016). However, funding in the NHS has continued to stagnate as populations, costs and needs rise (Lafond et al., 2016).

Notwithstanding positive comparisons with other countries, the NHS has been characterised as performing less well when it comes to healthcare outcomes (Dayan et al., 2018). As funding has stagnated, key quality indicators have come under increasing pressure (see p.329). While

support for the NHS tends to be high, satisfaction with it has started falling since 2015 (Robertson et al., 2019).

Conclusion

The NHS is a notoriously complex sector. The above structural account cannot and does not attempt to do justice to the scope of this complexity. Accordingly, it omits significant elements of today's NHS, like public health, now largely the responsibility of local government; and so-called Commissioning Support Units which sell to CCGs expertise many PCTs used to have in-house. That such omissions are necessary to produce a brief account tells us something about the sector's complexity.

Instead, what this account aims to do is to adequately set the scene for the organisational case studies in this thesis. As the foregoing sections demonstrate, providers face a complex landscape of influences. Alongside their internal pressures, they face the interest of multiple regulators with different briefs, and often several different CCGs who may wish to contract different services. This breadth of pressures only intensifies under austerity: this is the story which Appendix 3 continues.

Appendix 3: Austerity and UK healthcare

Introduction

Twenty-first Century public administration so far has been defined by the challenges of austerity. Governments committed to contractionary fiscal policies have found existing cost-saving mechanisms ineffective (Hood and Dixon, 2013) and face growing tensions between contractionary economic commitments and political palatability (Clarke and Newman, 2012; Pollitt, 2013). Public organisations find austerity threatens service quality and – ironically – their ability to make future savings (Fitzgerald and Lupton, 2015; Hastings, Bailey, Bramley, et al., 2015; Robertson et al., 2017). With governments committed to reducing spending (Campbell and Meikle, 2011), solutions to such problems seem distant.

While relatively typical in its level of vulnerability to the crisis (Lodge and Hood, 2012), the UK implemented a particularly stringent austerity regime. The UK was not among the most indebted OECD countries before the crisis, but its debt rapidly increased under austerity (Schäfer and Streeck, 2013). Despite signs organisations coped during the early years of austerity, experts foresaw and demonstrated increasingly severe consequences as austerity progressed (Appleby et al., 2014; Bach, 2016; Hastings, Bailey, Gannon, et al., 2015; Watkins et al., 2017).

These impacts have been felt across sectors, including within the NHS, the world's fifth largest employer (Nuffield Trust, 2017b). While ostensibly 'protected' from funding reductions (HM Treasury, 2010), the NHS experienced significant funding restraint (Lafond et al., 2016). As early as 2009, QIPP requested £20bn of savings (House of Commons Health Committee, 2010). Such savings demands continued and intensified (Appleby et al., 2014), with a series of new incentives encouraging compliance (House of Commons Health Committee, 2012; NHS England and NHS Improvement, 2016; Toynbee, 2016). Despite decreasing funding per patient, quality targets remained stringent (Smyth, 2017c). Hospitals faced an increasingly challenging task.

These changes attracted extensive scrutiny and opposition. Government insisted that 'efficiencies' could be made in the NHS without causing harm (Hunt, 2014; Lord Carter of Coles, 2016; McKinsey and Company, 2009; Monitor, 2013). Sympathetic media sources bolstered this argument by highlighting waste or allegedly avoidable spending (Slack, 2011a; Smyth, 2017d). Nevertheless, savings efforts attracted extensive scrutiny, including critical National Audit Office reports (Comptroller and Auditor General, 2012) and the formation of a House of Lords Select Committee on the Long-term Sustainability of the NHS (2017).

Criticism notwithstanding, funding contractions continued, and organisational finances continued to deteriorate. Organisations providing NHS hospital, ambulance, mental health or community care are known as 'NHS provider trusts'. By the financial year 2015/16, 66% of these provider trusts were reporting an overall financial deficit (King's Fund, 2018b). Financial problems had consequences: by mid-2013, indicators strongly suggested that quality was deteriorating (Appleby, 2018). This scale of savings requirements represented an exceptionally difficult scenario for organisations.

This appendix provides background material to help the reader contextualise austerity writ large, and within the NHS. It therefore comes in two parts: the first provides a general account of austerity policies, with particular reference to the United Kingdom. The second zooms in to consider the NHS itself: the context within which this thesis's organisational case studies are set.

Austerity in context

It is difficult to understand individual organisations' experience of austerity outside their national and international contexts. Yet precisely because this context inflects how we understand austerity, it is politicised and disputed (McCann, 2013). This section does not aim to settle such disputes. Instead, it attempts first to characterise the contested international contexts attributed to national austerity efforts (drawing extensively on Blyth, 2013). Second, it zooms in to analyse the UK's national context.

International austerity

During the past decade, austerity has prominent across major industrialised economies. While the focus of austerity has differed across states (Lodge and Hood, 2012), it has almost universally brought serious political tensions (Pollitt, 2013). Austerity lacks the conceptual intrigue of era-defining public management reforms like NPM (Ferlie et al., 1996) or New Public Governance (Osborne, 2006); yet to organisations it has felt every bit as epochal a change. As services have contracted (Neri, 2017), individuals have faced devastating consequences (McKee et al., 2012). At individual, organisational and national levels, austerity has been one of the most significant forces in the public sector this century.

A banking crisis

Given such stakes, it is unsurprising that austerity's causes are so heavily disputed. The dominant narrative of austerity relates it to the financial crash of 2007-08. For many, this crash had its origins in the American banking sector. During the 1980s, banks become increasingly 'leveraged': that is, they increasingly invested money they themselves had borrowed (Blyth, 2013, p.28). Consequently, they owed their creditors considerably more than they had in liquid

capital. As states deregulated their banking sectors during the 1990s, this trend accelerated (McKee et al., 2012). While this level of leverage enabled more investment and more profit, it left banks vulnerable. If one has borrowed thirty times one's liquid capital and invested it in a given market, small fluctuations in that market can leave one unable to finance one's debts (Blyth, 2013).

Simultaneously, banks were developing new financial instruments to enable them to increase their lending. One such mechanism was 'securitisation': the securing of a loan against an asset, like a house in a mortgage. Mortgages were regarded as desirable investments for banks, but there were limits on how many they could engage in because i) they had a finite amount of money to lend; and ii) regulation limited the amount of risk they could hold. However, while having lent money as part of a mortgage left banks with less money, it meant they owned the mortgage holder's debt. Consequently, banks began to use this debt as an asset against which to borrow. Investors lent them money, and received a regular return; in exchange, they took on the risk associated with mortgages. However, as mortgages were seen as highly secure investments, they were willing to do so. The 'mortgage-backed security' was born.

This process of 'securitisation' enabled a cycle of continual lending. Banks could lend money as part of mortgages, then borrow against the debts they now owned. This generated capital and removed the risk associated with mortgage lending from banks' books. Accordingly, they were able to lend more money as part of another mortgage, which could in turn be sold on to investors purchasing securities.

Theoretically, this should have been safe. Mortgages were regarded as highly secure investments and accorded sought-after AAA risk ratings. Banks took steps to further reduce the risk by bundling together mortgages from different regions. As these regions' housing markets were believed to be wholly independent of another ('uncorrelated'), doing so was meant to diversify the investment, much as one might by investing in airlines at the same time as agriculture. Mixing mortgages from different markets was designed to reduce levels of risk.

However, this reasoning turned out to be misguided. First, diversification could handle local problems in individual housing markets, but not *systemic* problems like systematically risky lending. As demand for mortgage-backed securities rose, however, banks had strong incentives to increase lending and to raise their risk appetite in order to do so. After all, they would be able to sell the risk on to those buying their mortgage-backed securities anyway. Consequently, the mortgage market became systematically too risky: a cross-cutting problem against which diversification could not defend.

Second, bundling together mortgages from different markets only reduced risk if those markets remained uncorrelated with one another. However, the very act of combining those mortgages into securities in effect created an (inter)national market in mortgages. With the same purchasers and sellers, the prices of mortgages in different regions were shaped by the same forces. Bundling together made correlated these previously independent markets. This increased the system's vulnerability to the systemic risk banks had not anticipated (Blyth, 2013, pp.31–36).

This began to come to a head in 2006, when mortgage-backed securities started to lose value (Blyth, 2013, p.28). Investors realised that the securities they had bought were less secure than they had believed. Consequently, house and security prices fell nationwide. Heavily leveraged banks realised they were at risk and attempted to translate assets like mortgage debts into cash. However, multiple banks were attempting to sell the same types of assets, and nobody was buying. This further bid down the prices of those assets, worsening banks' equity problems. Trust diminished, and, by 2008, banks became reluctant to lend to one another (Scharpf, 2013, p.2013). On the seventh of September, 2008, the American Government bailed out two Government-sponsored mortgage lenders, putting them under the control of the Federal Housing Finance Agency (Lockhart, 2008). A week later, Lehman Brothers, America's fourth largest investment bank, filed for bankruptcy (BBC News, 2008), setting off a chain of crises and bailouts across the world.

[A macroeconomic crisis](#)

Without disputing the importance of these banking sector developments, authors emphasise the role two international macroeconomic vulnerabilities played. First, the Eurozone was large and vulnerable to financial sector problems. The European Central Bank (ECB) was less capable than other central banks of stabilising problems in the banking sector. National central banks can generally deal with financial sector instability by guaranteeing banks' solvency, or, in extreme cases, bailing out banks that need it. This is possible because the states backing those central banks can quickly allocate sufficient funds to cover large national banks' debts. The ECB is different. It oversees a banking sector spanning the Eurozone and is not directly backed by a single state's finances. Any guarantee or bailout would require lengthy negotiation through European institutions unlikely to respond quickly enough to address a crisis. No one state could reasonably afford to bail out the Eurozone's large transnational banks. The ECB is poorly configured to stabilise the European financial sector (Blyth, 2013).

Second, there were broader vulnerabilities in the international economy that left states poorly equipped to withstand macroeconomic shocks. Since the 1970s, sovereign debt had been

growing across OECD states (Schäfer and Streeck, 2013). Initially, this had been masked by high levels of inflation, which had progressively devalued debts. As inflation fell, however, these problems worsened. Such problems were exacerbated within the Eurozone by the need to set a single interest rate across countries with differing needs. When states like Greece, Ireland and Spain joined the Euro, they were exposed to German-style low interest rates, and relatively cheap domestic labour. This precipitated high imports, and a highly indebted domestic public sector. A national central bank might respond to this by raising interest rates – but this was not so easy for the ECB, because it had to set one rate to suit both these states and the likes of Germany (Scharpf, 2013, pp.120–125). Consequently, a certain set of Eurozone states were left with highly indebted, vulnerable economies.

A state crisis

Writers dispute extensively the relative responsibility of the banking sector, macroeconomic circumstances and government choices in precipitating the 2007-08 crash and subsequent government debt. What is clear is that the combination of these factors precipitated severe consequences for the international economy. When the banking crisis hit, it did not only affect the American banks in which it originated. Instead, the network of interbank lending meant a problem in one financial sector quickly spread to others. With Eurozone countries particularly poorly configured to respond to it, Europe proved an ideal incubator of the crisis (Scharpf, 2013, p.108). When European governments eventually responded with bailouts, many did so against a backdrop of elevated national debts or vulnerable economies.

Financial sector crises rapidly had major impacts for national governments. In states like the UK, whose tax receipts relied heavily on financial services, the crisis substantially and directly reduced government income (Blyth, 2013, p.42). In many states, bank bailouts added to such debts. On the 2nd of April 2009, the G20 agreed to a further \$5tn international stimulus package in an effort to restart economies (BBC News, 2009). What was once a banking crisis rapidly become a fiscal crisis of the state (Morgan et al., 2011).

It was in this context that national governments determined that debt should be reduced. Depending on one's political outlook, governments either felt forced to reduce debts, or used doing so as ideological cover to cut back the state (Clarke, 2010). While deficits can be tackled either by reducing spending or by increasing taxation, 'everywhere the diagnosis [was] that spending is too high' (Schäfer and Streeck, 2013, p.10). Austerity policies spread rapidly.

Yet it was far from clear that such austerity policies achieved their desired objectives. While evidence suggests that such 'consolidations' can promote growth, those motivated by desires

to cut deficits have the opposite effect (Guajardo et al., 2014). Nor did simultaneous international austerity efforts succeed in reducing deficits. Because ‘someone has to spend for someone else to save’ (Blyth, 2013, p.18), multiple states seeking to cut simultaneously tends to simply contract the world economy (Holland and Portes, 2012). Accordingly, Figure A.1 displays OECD states’ indebtedness before austerity (2008) and based on the latest data available (2017). The blue bars show debt at 2008; the orange sections show change since then; in all but one case, debt has increased. Figure A.2 shows changes in GDP growth across time. Notwithstanding a recovery from the depth of the crash, levels of growth seem yet to recover to pre-crash levels. Whether or not one supports the policy, austerity seems not to have had the impacts on debt and growth which governments predicted (e.g. HM Treasury, 2010, pp.23–24).

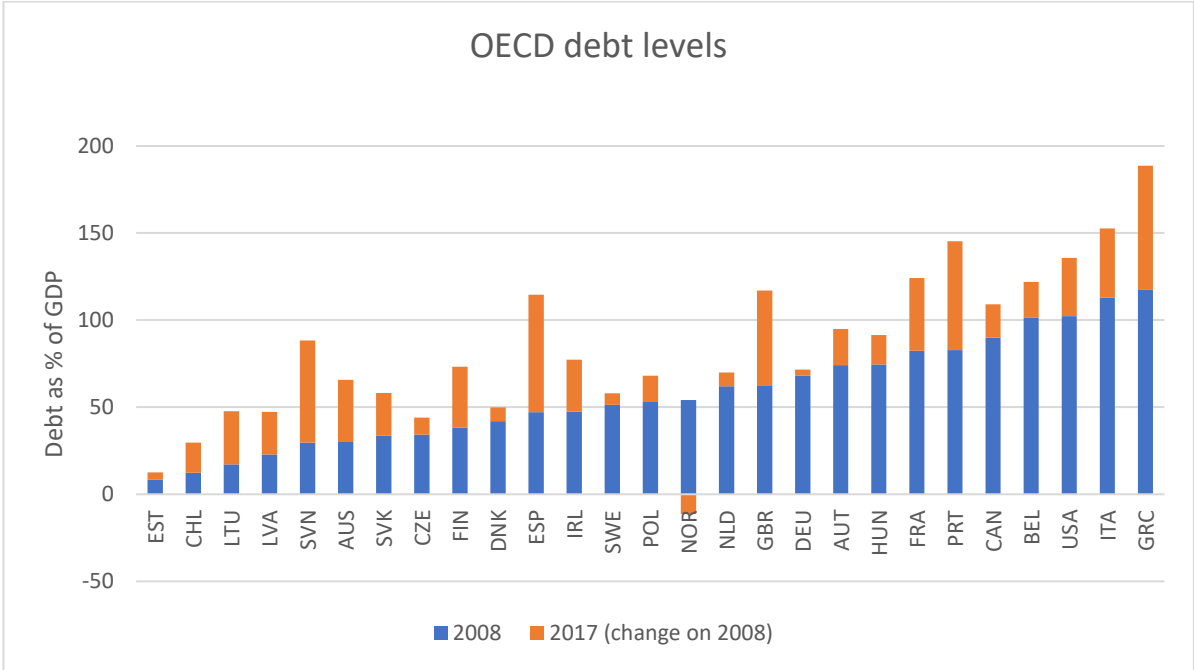


Figure A.1 – OECD debt-to-GDP ratios, calculated from OECD (2019a). States with missing data omitted.

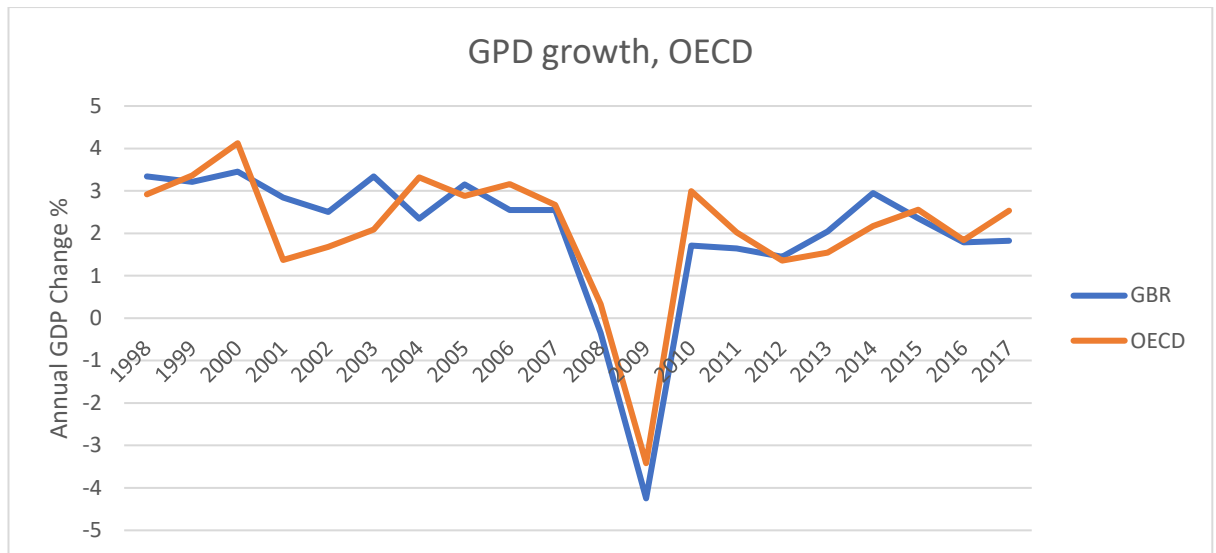


Figure A.2 – OECD and UK annual growth (OECD, 2019b)

This context brought severe implications for public organisations. Against a backdrop of prolonged austerity, they faced complex strategic choices which could substantially alter existing public roles (Cepiku et al., 2016). At times, this meant finding new ways to get by (Shaw, 2012), at others it meant increasingly desperate strategies for survival, including government bankruptcies (Davidson and Ward, 2013). As an international phenomenon with radical organisational implications, austerity should be a prime focus for organisational scholars.

Austerity in the UK

The UK was among the states which pursued austerity most vigorously. This was not explained by its level of debt alone. As Figure A.1 shows, it had a moderate level of indebtedness relative to OECD counterparts (McKee et al., 2012); overall, it was moderately ‘vulnerable’ to the crisis (Lodge and Hood, 2012). However, following the 2010 General Election, successive Conservative-led Governments implemented intense spending reductions. Yet by 2017, the UK was among the most indebted OECD states (Schäfer and Streeck, 2013, pp.2–3; and see Figure A3.1). As a relatively typical economy which nevertheless implemented austerity with vigour, the UK is both comparable to several states, but is also a highly ‘observable’ instance of austerity (Pettigrew, 1990, p.275). It bears more detailed consideration.

Austerity’s challenges

The UK was among the European states which invested most highly in problematic American mortgage-backed securities (Scharpf, 2013, pp.125–127). It was therefore vulnerable to the crisis springing from those securities. Warning signs came in September 2007, when Northern Rock, a major bank, received large loans from the Bank of England to guarantee its mortgage

obligations (BBC News, 2007). Nevertheless, that November's Pre-Budget Report identified only 'increased international economic uncertainty' (Fairclough and Fairclough, 2011). Early in 2008, the Labour Government nationalised Northern Rock. Later that year, further banks – Royal Bank of Scotland, TSB and HBOS – received bailouts of their own. By the 2008 Pre-Budget Report, an 'unprecedented global crisis' was declared (Fairclough and Fairclough, 2011).

While Labour responded to the crisis in part by increasing borrowing, this was not to last (Darling, 2008). The 2010 General Election returned a Conservative-led Coalition. That year's Budget characterised deficit reduction as 'the most urgent task facing this country' (HM Treasury, 2010, p.1). It planned a £128bn 'consolidation' (18% of annual spending), 77% of which was to be accounted for by spending decreases (p.5, 15). The 2013 Spending Round entrenched this by reducing borrowing (Osborne, 2013). While such measures received the electorate's 'grudging consent' (Clarke, 2010), they required politically challenging trade-offs across government (Clarke and Newman, 2012; Pollitt, 2013).

Accordingly, austerity became a highly disputed policy, and concept. Originally used by David Cameron shortly before he became Prime Minister, the term 'austerity' appealed to a post-war ideal of 'getting by' and an attractive anti-consumerism (Bramall, 2013). Yet the term and its cultural associations were also repurposed to oppose budgetary reductions (p.21, 108-09). Austerity's advocates characteristically painted it as necessary (Krugman, 2010; O'Neill, 2012): there was – in the words of a 2017 General Election Debate – 'no magic money tree' (Watts, 2017). They also moralised austerity, contrasting supposedly profligate spending with hard-working taxpayers (Lakoff, 2013; L. Morris, 2016). Yet for opponents, austerity was a brutal reduction of services on which the poorest relied (Matthews-King, 2017). UK austerity remained highly contentious.

[Austerity's consequences](#)

Austerity's espoused purpose was to reduce the UK's financial deficit. 2010's Conservative-led Government hoped that debt would soon decrease, falling below 70% of GDP by 2014/15 (HM Treasury, 2010, p.23). However, an initial post-crisis recovery flattened out shortly after the Coalition's first budget (McKee et al., 2012). As Figure A.3 demonstrates, debt continued rising until 2016/17, reaching a high of 86.5% (c.f. Schäfer and Streeck, 2013, pp.2–3). Austerity failed to achieve its ostensible goals.

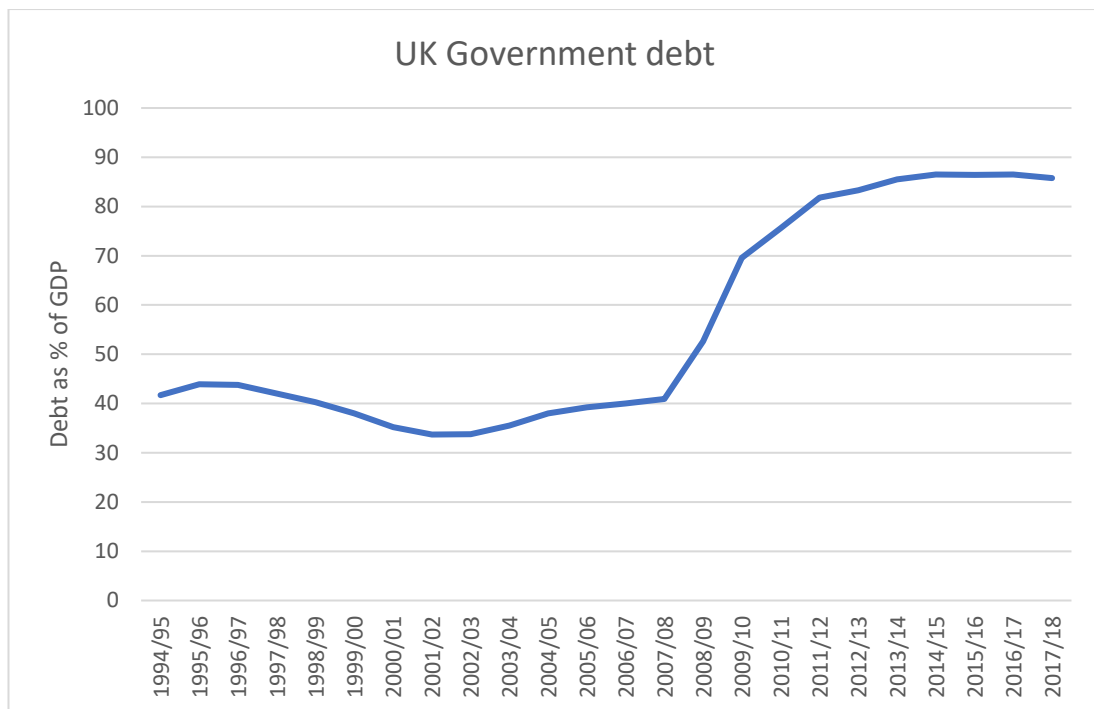


Figure A.3 – UK Government debt (Office for National Statistics, 2018)

Despite absent or perverse national consequences, austerity’s impact on organisations was pronounced. In places, it directly reduced services (Z. Morris, 2016). This was particularly the case in local government, which bore the brunt of budget reductions (Bailey et al., 2015; Hastings, Bailey, Gannon, et al., 2015; Hastings, Bailey, Bramley, et al., 2015). At times, organisations pieced together ways of coping (Lowndes and McCaughie, 2013) or made savings that avoided direct impacts on service users. At others, what were intended as back-office changes nevertheless damaged services (Hastings, Bailey, Gannon, et al., 2015). Across sectors, harm-free savings increasingly seemed a short-term phenomenon. Commentators foresaw increasingly direct impacts on services and clients as ‘easy’ savings were used up (Appleby et al., 2014; Fitzgerald and Lupton, 2015).

Such consequences were politically threatening for an already vulnerable Central Government (Masters and ‘T Hart, 2012). Characteristically, Government responded to such problems by making individual organisations responsible for resolving them (Newman and Clarke, 2014), and imposing severe penalties for missing financial targets (Davies and Thompson, 2016). Such burdens were also transferred to individuals (Dowling and Harvie, 2014; Fitzgerald and Lupton, 2015; Turnbull and Wass, 2015). Delegating problems like this damaged staff wellbeing and morale, and decayed relationships, as departments and organisations competed for remaining resources (Bach, 2016; Hastings, Bailey, Bramley, et al., 2015).

These consequences eventually affected service users. Budget reductions varied extensively across areas of differing deprivation (Meegan et al., 2014). Regrettably, the most deprived faced the severest reductions (Bailey et al., 2015). This had demonstrable human impacts. McKee et al (2012) identify an increase in suicides over the period of austerity. Watkins et al (2017) associate health and social care spending reductions 2010-2014 with 34,530-56,206 deaths. These were the background– and the stakes – of organisational austerity management efforts.

Austerity in the NHS

The stakes were highly visible in the case of the NHS (Lafond et al., 2014, 2016). Accordingly, this section traces austerity's dynamics within this policy area. First, it analyses the dynamics of NHS finances 2008-18. Second, it examines the organisational implications of those changes, including effects on healthcare quality. Finally, drawing on each of these, it highlights the dynamics of the NHS austerity debate.

Retrenchment and reconfiguration

Developing austerity (2008-10)

Despite the Labour Government's decision to increase borrowing to finance their bailout of major banks, the financial crash placed pressure on public service budgets. The 2009 Budget required the DH to contribute £2.3bn to an overall £5bn 2010/11 efficiency aim (Department of Health and NHS Finance, Performance and Operations, 2009). Health services looked set to receive more-or-less static real revenue allocations until 2013/14 (Department of Health, 2009a).

Labour sought ways to make NHS savings without harming services. In February 2009, they hired McKinsey and Company, a prominent management consultancy, to find such savings. McKinsey (2009) reported the following month, arguing that there was scope for £15-20bn productivity improvements over five years. While Labour chose not to publish the report, senior health service figures began referring to this £20bn figure in forewarning of upcoming savings obligations (House of Commons Health Committee, 2010; Comptroller and Auditor General, 2010, 2012; Charlesworth et al., 2016).

The 2010 General Election saw the NHS become a major issue. The Conservative Party – generally less trusted than its opponents on the NHS (Ashcroft, 2015) – attempted to neutralise the issue. 'I'll cut the deficit, not the NHS', promised Cameron (Campbell and Meikle, 2011). Consequently, much discussion following the Conservatives election victory focused on this pledge to 'protect' the NHS from funding decreases. Opponents questioned

whether it was being fulfilled given accelerating austerity (HM Treasury, 2010, p.17; House of Commons Health Committee, 2010).

Analysis suggests that this pledge was not quite fulfilled, but that even a small real-terms increase in funding would leave the NHS under severe pressure. Adjusting for new transfers between budgets, it seemed there was a small real-terms decrease in NHS funding during the Coalition's early years (Nuffield Trust, 2017a). More significantly, however, populations and need were growing, and healthcare costs rising faster than inflation. Meanwhile, services on which the NHS depended were being radically reduced (Lafond et al., 2016). Regardless whether it received a real-terms funding increase in any given year, the NHS faced increasingly difficult financial circumstances.

[Quality, Innovation, Productivity and Prevention \(2010-15\)](#)

Government sought to implement NHS savings through QIPP (Charlesworth et al., 2016).

Labour began it; the Coalition maintained, expanded and accelerated it. It operated through three principal mechanisms: first, a suite of central programmes designed either to make direct savings or produce resources to help organisations do so (Department of Health, 2013a); second, a pay freeze for staff earning more than £21,000 per annum (Department of Health and NHS Finance, Performance and Operations, 2009); third, reductions in the rate at which provider organisations were reimbursed ('tariff'), designed to encourage them to make internal savings (Department of Health and NHS Finance, Performance and Operations, 2010). The substantial majority of savings came from the latter two mechanisms (Comptroller and Auditor General, 2012; House of Commons Health Committee, 2013).

Tariff changes affected organisations particularly directly. Before the Election, a 0.5% 'efficiency' requirement had been added to tariffs: providers would be paid 0.5% less per procedure or patient than they used to be (Department of Health and NHS Finance, Performance and Operations, 2009). After the Election, this was increased to 1.5%, as per the increased savings the new government expected (Department of Health and NHS Finance, Performance and Operations, 2010). By 2011, a report by Monitor (then healthcare's financial regulator) noted that Foundation Trusts (autonomous healthcare providers) were attempting to save an average of 4.4% of operating costs (House of Commons Health Committee, 2012).

Government came under criticisms for its reliance on pay freezes and tariff reductions as opposed to concrete organisational change. The Health Select Committee (2012) criticised Government's presentation of tariff changes as causing savings, emphasising that tariff at best

encouraged organisations to do the actual work of making savings. Nor could Government be sure that such savings were actually being made.

Savings requirements severely affected organisations' financial stability. Initially, most organisations were initially able to make the required savings while breaking even. Yet as early as March 2011, most London hospitals were set to refuse to sign off their budgets, with finances becoming senior managers' biggest concern (Lister, 2011). That September, representative bodies of NHS organisations like NHS Employers and the NHS Confederation signalled anxiety about impending financial problems (Campbell, 2011b, 2011c). By 2012, a third of providers were aiming to make for an internationally unprecedented 5% annual savings target (Comptroller and Auditor General, 2012; Charlesworth et al., 2016, p.55). For a similar proportion of senior hospital managers (28%), the financial situation was the 'worst ever experienced' (House of Commons Health Committee, 2013). A National Audit Office report (Comptroller and Auditor General, 2012) suggested that most providers and commissioners felt savings they had promised were unachievable.

Such savings were made harder to make by simultaneous demands for massive reorganisation (Exworthy and Mannion, 2016). Despite an election campaign promising no 'top-down reorganisation' of the NHS, Andrew Lansley, Secretary of State for Health quickly introduced a white paper proposing the largest NHS reorganisation since its inception. Principal among his reforms was the replacement of healthcare's commissioners – PCTs with new GP-led CCGs; and the abolition of the regional tier of NHS management, known as Strategic Health Authorities (Department of Health, 2010a).

Even before this became law in 2012, it substantially destabilised healthcare organisations. PCT staff began to leave as structural changes began in anticipation of legislation (Department of Health and NHS Finance, Performance and Operations, 2010; Flory, 2012). As early as November 2010, David Nicholson, Chief Executive of the NHS, told the Health Select Committee (2010) that PCTs were 'in meltdown'. These reforms required considerable labour, and perpetuated uncertainty across the health service. Achieving them alongside significant savings only added to the challenge.

Perhaps surprisingly, talk of large-scale reconfiguration initially played well with health unions and professional bodies, who desperately wanted a way savings could be made without job-losses (Cole, 2010). However the confluence of budget reductions and reforms soon attracted their criticism, some worrying that structural changes might be used as 'cover' for cuts (Lister and Watson, 2011; Siddique, 2016). Lansley's plan increasingly attracted criticism from his

Liberal Democrat coalition partners (Toynbee, 2010) and even his own party (Wollaston, 2010). Eventually, the controversy around these reforms grew so great that they could only be passed in a somewhat watered-down form following the Prime Minister's personal intervention and a two-month consultation (Cameron, 2011a, 2011b; *Health and Social Care Act*, 2012; Mulholland, 2011). The patterns of disruption and uncertainty this entailed created a challenging environment for organisations attempting to plan.

[Sustainability and Transformation? \(2015-2018\)](#)

In retrospect, however, these years between 2009/10 and 2012/13 were comparatively simple times for savings in the NHS. As early efforts had taken advantage of any 'easy' savings, future attempts to minimise spending became increasingly challenging.

The 2015 General Election brought mixed news for NHS organisations. NHS England's new Chief Executive, Simon Stevens, successfully used the NHS's profile during the Election to campaign for more funding. His *Five Year Forward View* (NHS England, 2014) asked for at least £8bn extra funding, which all major parties agreed to pledge. However, it also committed the NHS to further 'efficiency' savings', which were becoming increasingly difficult to deliver. When the Conservative Party won a small outright majority, they were also freed of their Liberal Democrat coalition partners who had provided something of a limitation on Conservative austerity ambitions. Consequently, the years following the election saw intermittent announcements of new funding (HM Treasury, 2017; NHS England and NHS Improvement, 2018; Smyth, 2017b; Wright, 2018) but overall increasing financial pressure.

Savings pressures on individual organisations thus continued. While QIPP itself had initially been intended to realise savings between 2010 and 2015, it was extended to continue past 2015 (House of Commons Health Committee, 2013). Additionally, Jeremy Hunt, the incoming Secretary of State for Health commissioned a review of hospital productivity from Lord Carter of Coles. Carter's eventual reports (2015, 2016) argued that a further £5bn efficiency savings were possible. He drew this conclusion from analysis of inter-hospital variation in how much was spent on different categories of activity. Areas where a hospital was cheaper than average were ignored; but those where it was more expensive were totalled to identify an overall 'opportunity' for that trust.

This methodology was widely seen as suspect (Dunhill, 2016), but Carter remained influential. While Carter did consult with NHS organisations on these findings, he was only able to claim that the non-specialist trusts he talked to agreed 60% of his 'savings' were achievable. Nevertheless, these were rapidly translated into central DH mandates for organisations to

make equivalent savings (Hunt, 2015). Trusts were given specific responsibilities to realise supposed savings and regulators took a strong interest in trusts' implementation of Carter's recommendations (NHS Improvement, 2016a). The King's Fund – a leading healthcare think tank – told the Health Select Committee that 85% of NHS finance directors viewed that year's savings proposals as probably unachievable (King's Fund, 2016a).

Such individual savings obligations, however, were compounded and complicated by Government increasingly emphasising geographical areas' financial fortunes. By 2016, all healthcare providers and commissioners had been grouped into 44 geographical 'footprints' with named leaders, known as STPs. These were intended to enable greater coordination between nearby organisations; and each was asked for a joint five-year plan to manage demand and savings (Comptroller and Auditor General, 2018; NHS England, 2017). However, this proved far more challenging than anticipated, with STPs fearing a lack of political support for the types of changes their funding targets implied (Edwards, 2016). Initial six-month timelines for this work almost doubled.

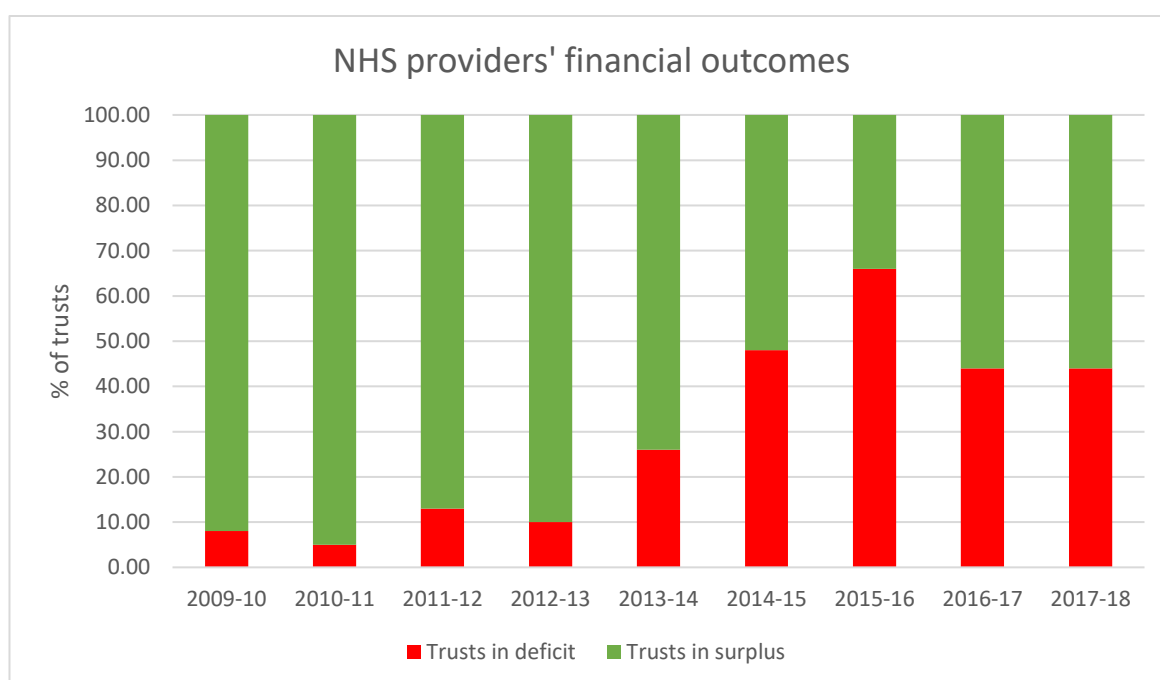


Figure A.4 – Proportion of NHS provider trusts reporting annual surpluses and deficits (King's Fund, 2018b)

By 2017, NHS providers were attempting to save an average of 4.3% of their turnover in order to meet financial targets (Gainsbury, 2017) – targets with which they increasingly failed to keep pace. As spending grew quicker than income, more and more organisations came to report year-end deficits (Morse, 2016, p.5). As Figure A.4 demonstrates, the comparative stability of the early years of austerity was replaced with a rapid increase in deficit providers.

By 2016, NHS Providers – the representative body for the provider sector – was openly criticising targets they argued could not be met (Smyth, 2016c). This represented the conclusion of a long build-up of pressure. While only 13% of trusts had ended 2011/12 in deficit, a third were dipping into their reserves to avoid doing so (Comptroller and Auditor General, 2012).

Government responded to such difficulties by increasing the stringency of their enforcement measures. Regions failing to save were incorporated into a new 'Capped Expenditure Process', which asked them to produce new savings plans in four weeks, and hired management consultants to help them do so (Simpson and Barker, 2017). Hunt threatened to fire the Boards of individual providers for financial or quality failures (Toynbee, 2016). Such threats seemed to be realised when Bob Kerslake, former head of the civil service announced his resignation as Chair of King's College Hospital in a letter which vigorously criticised regulators (Kerslake, 2017). The next day, the hospital was put into financial 'special measures' (NHS Improvement, 2017). That this took place with such a senior Chair, and a trust which had six years previously been regarded as clear of crisis (Bosely, 2011) emphasised how far such central pressure reached. As enforcement grew more stringent, so it became more focused on finance. By 2018, even the CQC's quality ratings included an evaluation of trust's 'use of resources' (Care Quality Commission and NHS Improvement, 2018).

Complementing such enforcement pressures, Government introduced new funding. In 2015, the STF was announced (Department of Health and Social Care, 2015). Initially worth £1.8bn, it was intended to be split between funds for service changes (transformation) and achieving financial balance (sustainability). However, so significant were immediate financial pressures that the vast majority was consumed by transfers to trusts to fund running costs (Comptroller and Auditor General, 2018). By 2018, the fund had been renamed the Provider Sustainability Fund, and was worth £2.45bn. However, any hope of facilitating long-term 'transformation' was abandoned. Indeed, it was mandated that all contributions garnered through the fund must go directly to hospitals' bottom lines (NHS England and NHS Improvement, 2018).

These additional funds came with strings attached. To be eligible to receive them, trusts were obliged to agree to, and meet, their 'control totals'. These were new caps on individual providers' year end deficits (or minimum surpluses to achieved) (Comptroller and Auditor General, 2018). The effect of this measure was twofold. First, it skewed funding towards those already achieving their financial goals, increasing the gap between rich and poor trusts. Second, it financially penalised trusts for refusing to state that their control totals were

reasonable objectives. Consequently, by February 2018 only 35% of those trusts planning to sign up to their control totals told NHS Providers (2018) that they were at least ‘confident’ of actually meeting them. It seems that the STF encouraged providers to sign up to totals they might otherwise have cast as unrealistic.

However, the added funds the STF brought into the system did help to improve its headline financial position. As Figure A.5 illustrates, the provider sector began to deteriorate severely from 2013/14, reaching a deficit of £2.45bn by 2015/16. The uptick between 2015/16 and 2016/17 can be explained in part by STF funding. However, such one-off transfers served in part to mask the underlying financial situation. Adjusting for them, and for ‘non-operational’ savings the Nuffield Trust argued that trusts’ underlying overspend in 2016/17 was closer to £3.7bn than £0.8bn (Gainsbury, 2017). Even as reported finances improved, the underlying positions they represented remained severe.

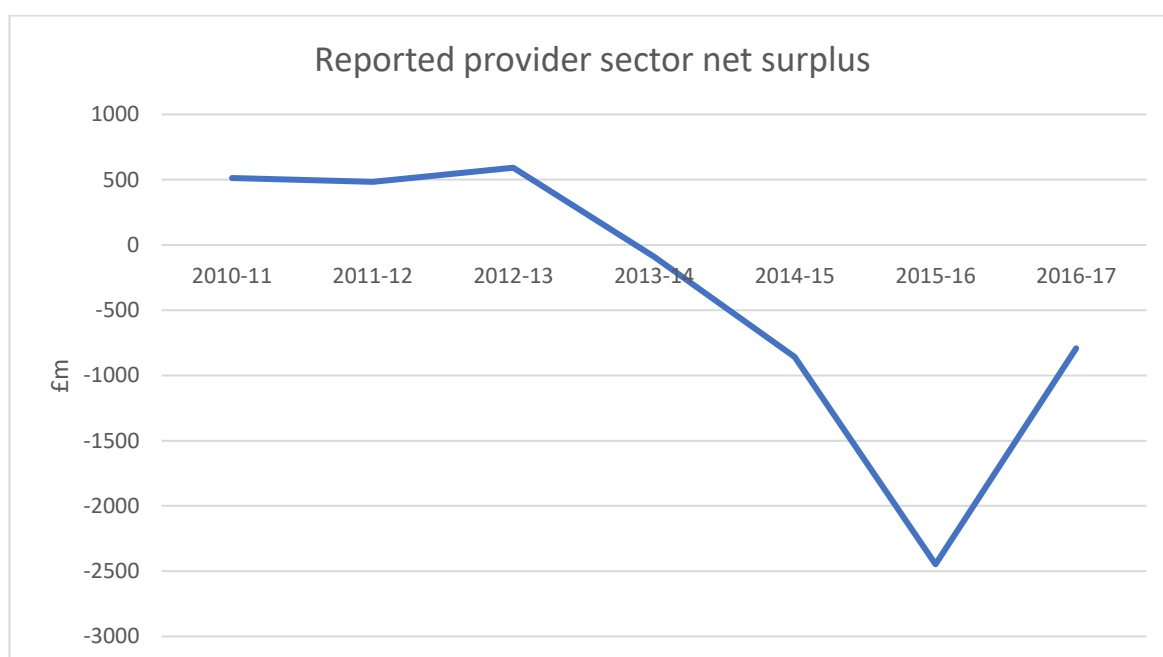


Figure A.5 – Reported provider sector net surplus. Data from Morse (2016) and Gainsbury (2017)

This was partly explained by an increasing array of short-term savings measures undertaken by Government and provider trusts alike. Government brought forward financial resources from future years’ budgets (Campbell, 2016), shifted money intended for capital purchases to fund revenue costs (Morse, 2016) and issued increasing interest-bearing loans to trusts (Comptroller and Auditor General, 2018). Between 2013/14 and 2016/17, the proportion of trusts’ savings which represented one-off savings rather than lasting reductions in running costs increased from 13% to 22% (Comptroller and Auditor General, 2018). It seemed clear that the aimed-for rate of savings could not be sustained.

Consequences and quality

Across these periods, the attempt to make financial savings took a toll on organisations and the services they provided. Continued pay freezes caused increasing discontent, which became focused on a dispute over the establishment of a new contract for junior doctors, during which the Government offered little on pay and demanded an increase in out-of-hours working. As tensions rose, Hunt threatened to impose the new contract if agreements could not be reached, prompting a series of strikes (Campbell and Johnson, 2016; Elgot and Campbell, 2016). Even after the pay freeze introduced under QIPP, a 1% cap on public sector wage increases continued to enforce real-terms cuts on NHS pay (Comptroller and Auditor General, 2018). It was not until March 2018 that Government relented and offered pay increases to nursing, administrative and clerical staff (Groves and Ellicott, 2018). Meanwhile, staff came to act as 'shock absorbers', protecting patients from the impact of funding retractions (Robertson et al., 2017, pp.97–98). Hiring became increasingly difficult across NHS roles, with one in twelve positions vacant (NHS Providers, 2018).

The combination of low morale, difficulty hiring and financial restraint itself was a difficult context during which to maintain healthcare quality. Government maintained that it was organisations' responsibility to protect quality despite the savings asked of them. Savings associated with QIPP were supposed to be gained through service improvements; or at least not through substantive cuts to those services (Department of Health, 2010b). However, it appears that DH and NHS leaders doubted that this was the reality, so regularly did they affirm to organisations that rationing services (Campbell, 2011a; Easton, 2010), or implementing standard-issue CIPs (Easton, 2011; Keogh, 2011) did not constitute legitimate QIPP savings. However, Government seemed rapidly to accept that QIPP's £20bn target was to be achieved through CIPs: they issued guidance (Audit Commission and Monitor, 2012) and eventually requirements (Charlesworth et al., 2016, pp.51–52) to do so.

Until around 2013, key formal indicators suggested quality was more-or-less stable (Appleby, 2018). However, there were warning signs of problems to come. A survey by Unison, a large public sector trades union found a third of staff saying efficiency savings had worsened care (Ramesh, 2010b). 85% of NHS trusts told the NHS Confederation that financial pressures were affecting quality (House of Commons Health Committee, 2012). Even official guidance recognised that quality was at risk (Smyth and Lister, 2011).

As time went on, quality risks became quality problems. The greatest attention was garnered by the prospect of rationing or service closures. The Royal College of Surgeons wrote to the Public Accounts Committee (2013) criticising financially-driven rationing of operations. Key

think tanks warned of potentially ‘brutal’ service reductions (Nuffield Trust, 2016). Newspapers and representatives of NHS organisations warned of wholesale closures (Spencer, 2016; Stewart and Taylor, 2016), while NHS England and NHSI (2016) spoke somewhat euphemistically of ‘reproviding’ or ‘consolidating’ services deemed ‘unsustainable’.

Yet gradual strains in the services which were maintained were at least as significant as those which were closed (King’s Fund, 2016b). By the end of 2014/15, the CQC (2015) rated 68% of hospitals ‘requires improvement’ or ‘inadequate’. By 2017, they were describing a system ‘straining at the seams’ (2017). The same year saw the worst ever recorded waiting times in Accident and Emergency departments: one of the NHS’s key targets (Smyth, 2017c), while waiting lists reached 3.9 million (Comptroller and Auditor General, 2018). So severe did pressures become that the CQC suspended its routine inspections over the winter of 2017-18 (Behan, 2018). Whether a politically-driven move to avoid uncovering ‘bad news’ or a necessary step to avoid the burden of the inspection process putting quality at risk, it said little for system’s ability to reliably deliver the quality it aimed for.

It thus became increasingly clear that healthcare austerity was causing major problems for quality. In 2017, the *British Medical Journal* published a letter signed by 2,000 doctors criticising the lack of funding (Spencer, 2017) and a paper attributing to austerity an estimated 45,000 deaths over five years (Watkins et al., 2017). Around the same time, satisfaction with the NHS – normally stable – decreased sharply, with respondents attributing dissatisfaction to levels of staffing, funding and government reforms (Robertson et al., 2018). It was in this context that the debate over NHS funding took a decisive turn.

Debate and dénouement

The above makes clear the fraught, politicised environment in which NHS austerity took place. Government’s strategy in this environment centred on an attempt to demonstrate that ‘efficiency’ savings could be made by simply getting more per unit of expenditure, thus enabling spending to fall without affecting quality. To this end, the Coalition brought out several documents – including the as-yet unpublished McKinsey (2009) report – which provided data to support this argument (Lord Carter of Coles, 2015; Monitor, 2013; NHS Right Care, 2010, 2013). Other reports identified so-called ‘low clinical value’ treatments which could be avoided on the basis they did not efficiently enough transform financial inputs into clinical outputs (Audit Commission, 2011). Neither of these were wholly novel lines of argument; they had their origins in pre-crash efficiency (Department of Health, 2007; Gershon, 2004) and value-for-money narratives (London Health Observatory, 2007). Nevertheless, the decision to make such radical savings made such rationales all-the-more prominent.

Right-leaning media sources accentuated such narratives by highlighting areas of spending that could be avoided. Apparent ‘waste’ was a frequent target of such efforts (Geddes, 2017; Platell, 2011; Smyth, 2017d), as were fraud (Hope, 2011), seemingly frivolous spending like communications (Slack and Daniel, 2011) or hospitality (Slack, 2011b) and so-called ‘health tourism’ (Martin, 2011). The *Daily Mail* began a recurring column supposedly offering ‘money-saving tips for hospitals’ (e.g. 2016). While left-leaning outlets tended to target different sources of unnecessary spending – like expenditure on management consultants (Ramesh, 2010a) – full-throated defences of the importance of NHS spending were rarer. The narrative that there were efficiencies to be made was increasingly accepted.

However, this did not mean that the Government’s handling of the situation went without criticism. Initially, criticisms often highlighted uncertainties in the information Government had and provided about the situation. They were criticised for ‘misleading’ claims about levels of NHS funding (Smyth, 2016b); for having little certainty about what savings were being made (HM Treasury, 2013) or their impacts on quality (Comptroller and Auditor General, 2012); and for unrealistic planning assumptions (Dunhill, 2015). These attacks reflected and contributed to a substantial sense of instability.

As time continued, this instability developed into claims that the NHS was ‘heading for disaster’ (Campbell, 2017b; The Guardian, 2016; Meikle, 2016; Smallwood, 2015; Smyth, 2016a). It became increasingly common to question whether supposed efficiency savings really could provide the savings needed (Ham, 2016). Perhaps the greatest sign, however, of doubt that savings and quality could be reconciled came in the shape of a meeting of hospital Chief Executives at which they were asked to chant ‘we can do this’ in unison (Campbell, 2017a). There was a growing sense savings and quality could not coexist at the levels required.

In this context came a series of calls for increases in NHS funding. These came from both the Labour opposition (Groves, 2017) members of the governing Conservatives (Collins, 2018) and major healthcare think tanks (Ham et al., 2017). Most strikingly, however, Simon Stevens used a speech to the NHS Confederation to declare that the NHS could not meet the targets asked of it without more funding. This level of intervention in political decisions was highly unusual, particularly given that it came with a request for an extra £4bn immediately in the month preceding the Autumn Budget (Ham, 2017). When the Budget allocated a smaller amount, the Chair and Medical Director of NHS England stated openly that the funds given were insufficient (Smyth, 2017a). This was followed up by NHS England’s Board announcing a list of ‘low-value’ treatments no longer to be provided, and warning that targets would be missed (Borland and

Ferris, 2017; Smyth, 2017b). With budgetary decisions tied so closely to negative impacts on quality, the political costs of austerity became too great. By March 2018, the Government announced what became a £20bn increase in NHS spending (Helm, 2018; Stevens and Borland, 2018).

Conclusion

Across countries and sectors, austerity has been one of the most significant issues facing public organisations this Century so far. Distinct even from sharp one-off reductions in funding, it has been a prolonged period of contraction (Schäfer and Streeck, 2013) generating uncertainty and controversy (McCann, 2013). Even where organisations initially ‘survive’ (Shaw, 2012), the long-term impacts of reduced budgets, decaying relationships (Hastings, Bailey, Bramley, et al., 2015) and worsening staff morale (Bach, 2016) have been profoundly difficult to negotiate.

Nowhere has the controversy associated with austerity been clearer than in England’s NHS. Across QIPP, STPs, control totals and the myriad other instruments introduced to manage austerity, the material strain austerity caused the NHS has become evident (Care Quality Commission, 2017; Lafond et al., 2016). While the period started with the Government eager to demonstrate it was ‘protecting’ the NHS from austerity (Wintour, 2014), it ended with relative clarity that austerity had made maintaining quality next to impossible (Morse, 2016, p.9). Accordingly, if Government was initially able manage controversy through ‘efficiency’ narratives (McKinsey and Company, 2009), NHS austerity became too controversial to be politically sustained. The result has been a progressive, and therefore highly observable movement into austerity, culminating in a policy crisis that casts light on the policy tensions austerity brings (Pollitt, 2013).

The policy background above describes an exceptionally turbulent environment for healthcare organisations to navigate. They have found themselves attempting to achieve ever-greater requirements for efficiency, while also attaining constant quality goals. To do so at the best of times is difficult. To do so in a highly politicised environment characterised by profound uncertainty about future policy is all-the-more challenging. These tensions are at their clearest within the provider sector. Not only did providers reach a cumulative deficit than the entire annual budget than the Department for the Environment, Food and Rural Affairs (Gainsbury, 2017; Institute for Government, 2017), it also hosts the vast majority of the staff austerity places under such pressure. Managing NHS hospitals under austerity is a profoundly difficult, complex task.

Appendix 4: Data structure illustration

Figure A.6 illustrates how data were coded for the manifestations of practices therein, and these then used to identify sub-practices and core practices. The practices illustrated were selected for their numerical prominence and the clarity with which they could be visualised together in a single diagram. This remains reductive of the detailed analysis which underlies these results, as extensive coding hierarchies sat beneath both the manifestations and sub-practices identified here. Consequently, links were often made at a more granular level than the diagram implies, between specific codes beneath the sub-practices and manifestations shown here.

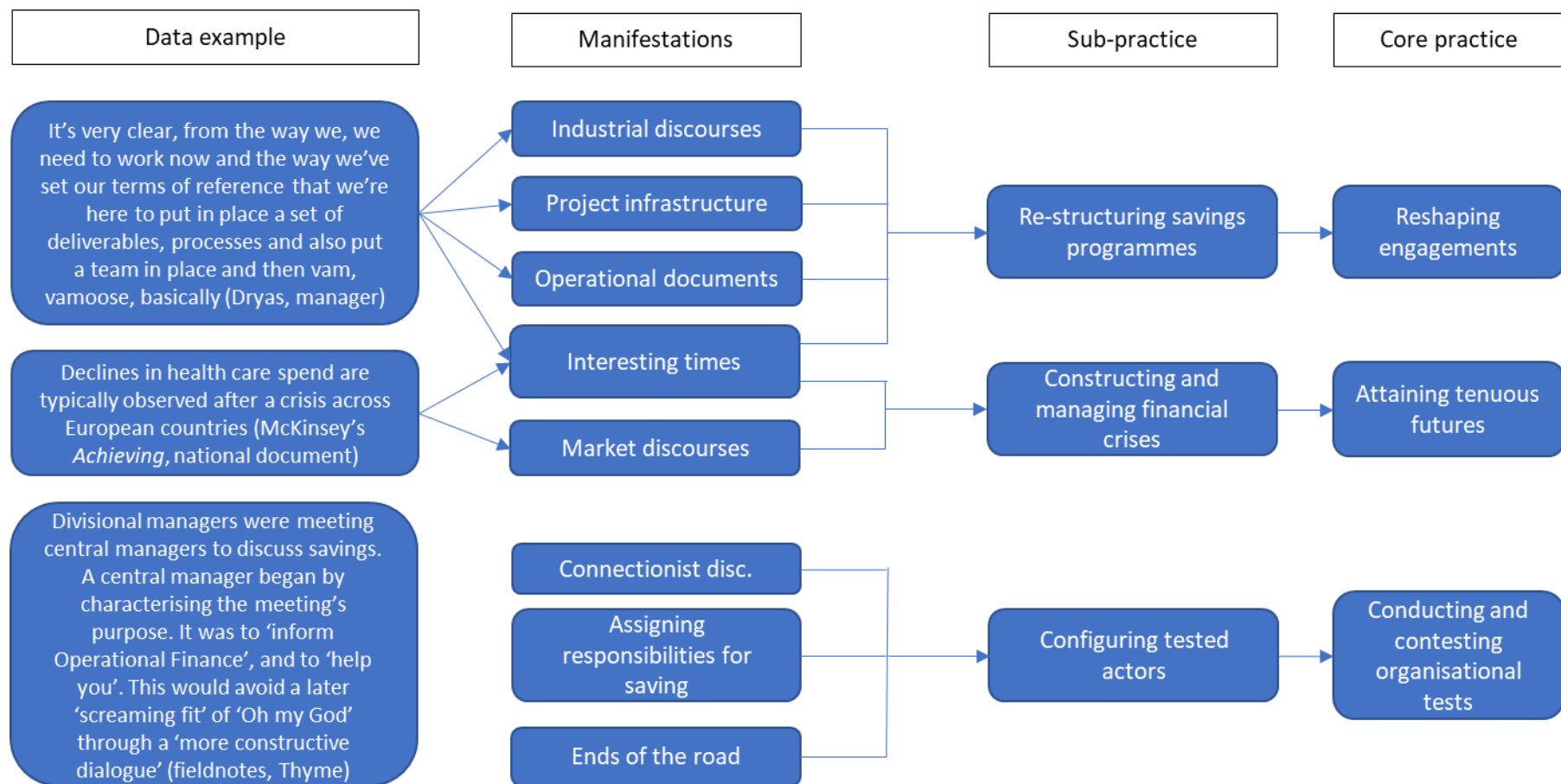


Figure A.6 – Illustration of data structure

Appendix 5: Chronicle extract

Table A.1 is an extract from the chronicle constructed as part of this study. It has been edited to help it fit legibly onto a page; columns removed included those designed to track quantitative data about NHS and organisational finances, and those used to further categorise the events found here to enable exploration of multiple overlapping ‘stories’. To avoid compromising confidentiality of organisational sites, the full chronicle has been filtered to include only data relevant to the national case. The furthest left column is an arbitrary serial number to differentiate entries. The furthest right pertains to those events for which a precise date was not available, but it was reasonably possible to locate the event in time, often because a given month was referred to: this notes the level of generality at which such events were located in time. The middle three columns indicate the date, the event in question and the document from which this event was identified. As Table A.1’s purpose is illustrative, it includes only the first few entries on the national chronicle.

Table A.1 – Extract from national chronicle

Serial no.	Date	Event	Source	Date reasoning
637	14/07/2004	Gershon review points to possible efficiencies in public service	What is productive time?	Month
971	14/06/2007	London Health Observatory publishes 'save to invest' drawing on earlier 'Croydon list'. Includes phrase 'potentially cosmetic'	Save to Invest	Month
978	07/07/2007	Nicholson tells NHS Confederation politicians should support reconfigurations	Hospitals must close, NHS chief tells MPs	
638	13/12/2007	Operating Framework describes 3% savings requirement from spending settlement	Efficiency appendix to the Operating Framework	
839	28/01/2008	DH responds to Gershon Review with productive time initiative for reinvestment	Efficiency appendix to the Operating Framework	
833	14/01/2009	NHS Constitution published	NHS 2010-2015 - from good to great. Preventative, people-centred, productive	Month
639	14/02/2009	DH instructs McKinsey to find ways to save the NHS money	Achieving world class productivity in the NHS 2009-10 to 2013-14: detailing the size of the opportunity	Month
640	14/03/2009	McKinsey provides slides on how to save the NHS money	Achieving world class productivity in the NHS 2009-10 to 2013-14: detailing the size of the opportunity	Month
641	31/03/2009	NHS Trusts (not Foundation Trusts) report annual surplus of £235m	The Quarter - quarter 1 2012-13	Financial year

642	22/04/2009	Budget requires DH to contribute £2.3bn to an overall £5bn 2010/11 efficiency aim	The operating framework 2010-11	Budget
643	14/05/2009	First announcement of the QIPP/'Nicholson Challenge' £15-20bn target	Public expenditure - second report of session 2010-11	Month
644	14/05/2009	£15-20bn figures partly based on McKinsey's slides	Progress in making NHS efficiency savings - department of health	
645	14/11/2009	Nicholson announces £15-20bn target by 2013-14	Management of NHS hospital productivity - department of health	Month
646	14/12/2009	Pre-Budget report, which implies flat real revenue allocations in 2011-12 and 12-13	The operating framework 2010-11	Month
832	14/12/2009	Maximum tariff uplift of 0% announced for the next four years	NHS 2010-2015 - from good to great. Preventative, people-centred, productive	Month
648	16/12/2009	Following 2009 Budget, 0.5% efficiency requirement added to tariffs	The operating framework 2010-11	
649	16/12/2009	Operating framework 2010/11 branded 'innovative, productive, high quality, preventative'	The operating framework 2010-11	
647	16/12/2009	Operating framework requires 2% of PCT revenue to remain recurrently uncommitted	The operating framework 2010-11	
845	11/03/2010	Publication of The NHS QIPP - an introduction for clinicians	The NHS Quality, Innovation, Productivity and Prevention challenge - an introduction for clinicians	
650	31/03/2010	NHS Trusts (not Foundation Trusts) report annual surplus of £195m	The Quarter - quarter 1 2012-13	Financial year
651	01/04/2010	Introduction of 30% marginal emergency tariff for activity above 2009 levels	The operating framework 2010-11	Financial year
983	06/05/2010	Cameron's election campaign mantra: 'I'll cut the deficit, not the NHS'	Revealed: toll of cuts across NHS services	
652	14/05/2010	DH releases McKinsey slides	Achieving world class productivity in the NHS 2009-10 to 2013-14: detailing the size of the opportunity	Month
653	14/05/2010	Government commits to recruiting 4,200 more health visitors by April 2015	The quarter - quarter 1 2011-12	Month
944	23/06/2010	Unison call the decision to release McKinsey slides as 'unfortunate'	from reduced budgets? Andrew Cole outlines the challenges - and the options	
945	23/06/2010	Unions and professional organizations supportive of transformation narratives	from reduced budgets? Andrew Cole outlines the challenges - and the options	
946	06/07/2010	Liberal Democrats state opposition to some of Lansley reforms	Comment: The NHS may not survive this volcano of ideology	Article
654	14/07/2010	DH announces abolition of Strategic Health Authorities and wider 'delaying'	Equity and excellence - liberating the NHS	
655	14/07/2010	Liberating the NHS proposes to replace PCTs with CCGs	Equity and excellence - liberating the NHS	

Appendix 6: Processual analysis illustration

Figure A.7 is an example of the many illustrations created to help identify key periods from multiple forms of data. Here, the graph illustrates the number of events identified by chronicling texts as a rough indication of intensity of activity: other instances of such work used the number of texts found in national literature searches. The black handwritten text maps onto this, key changes in evaluative devices and (in boxes) sampled texts. The red text identifies national trends the practices identified.

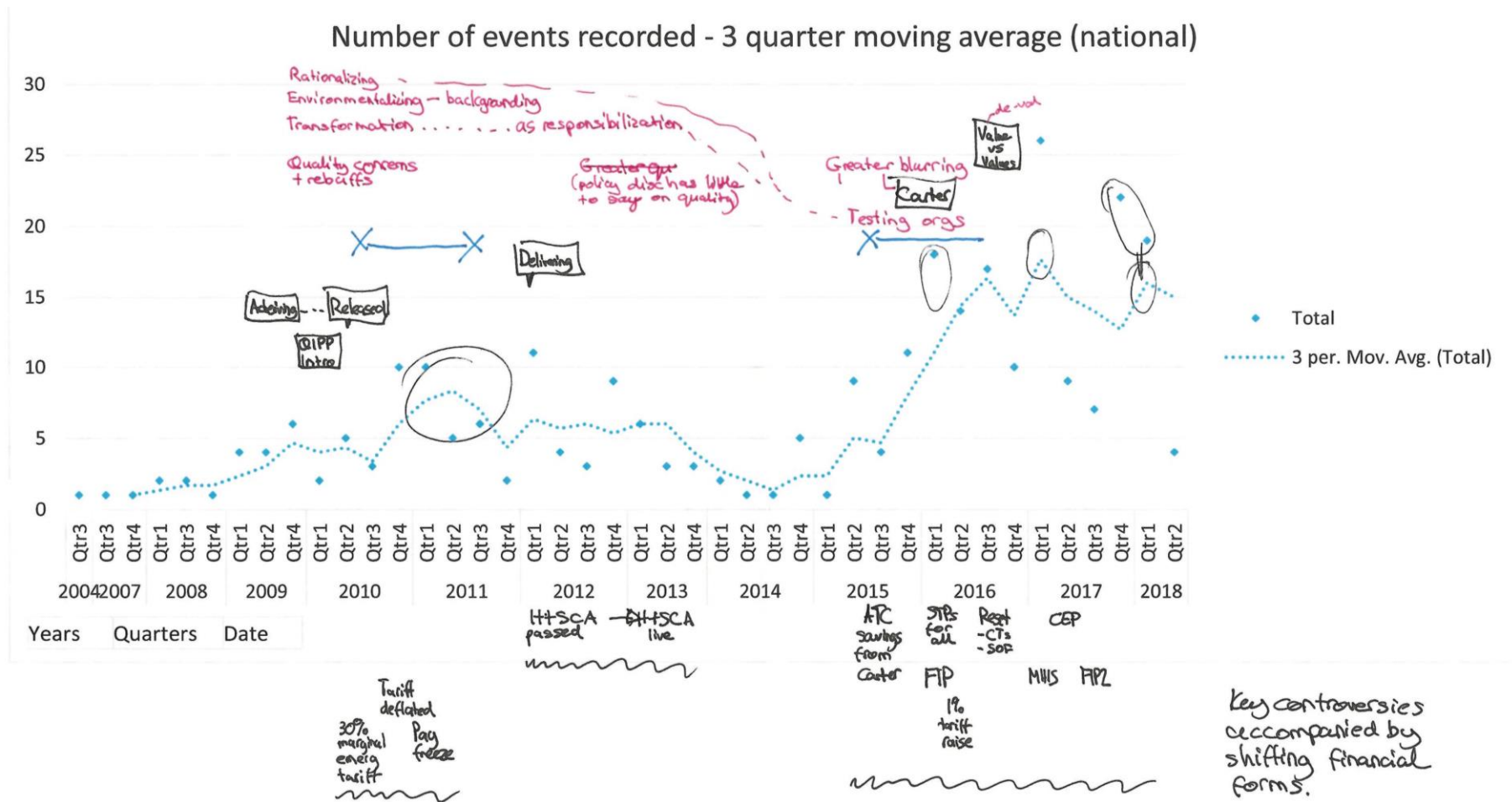


Figure A.7 – Temporally mapping multiple forms of data

Appendix 7: Practice theorisation illustration

The figures in this Appendix illustrate how individual practices were aggregated into the core practices reported here, and some of the stages involved in deriving models from these practices. Figure A.8 and Figure A.9 illustrate various stages of sketched practice nets. These drawings were designed to record and visualise connections between practices to support the identification of sets of interrelated practices suitable for clustering together. Figure A.8 shows an early stage in the development of what would become **reshaping engagements**. Figure A.9 shows a more developed representation of **conducting and contesting financial tests**, though both would continue to be refined as analysis continued. Both draw together sets of related practices, but also show how these sets link to other elements of the developing analysis.

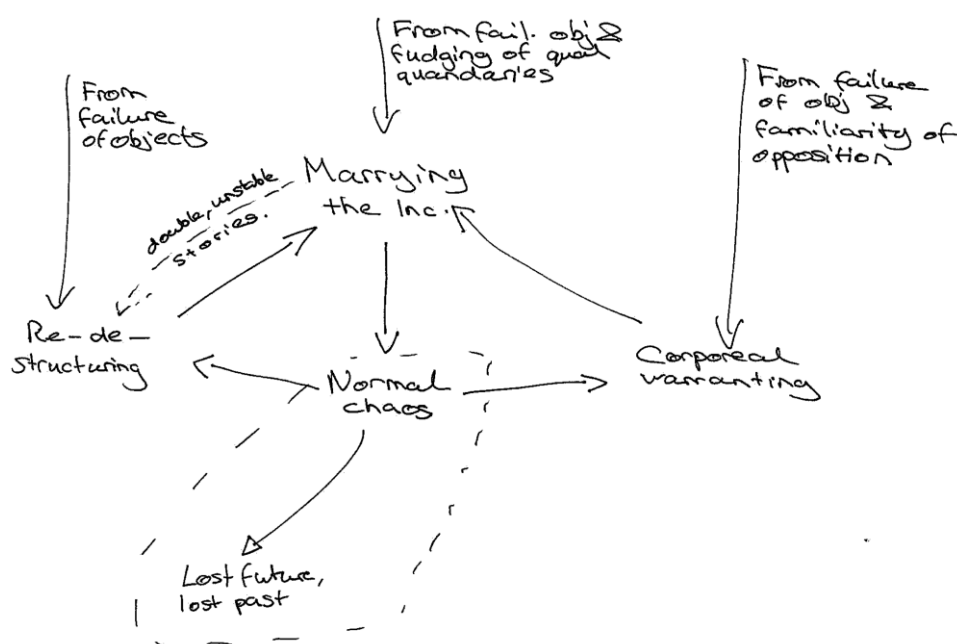


Figure A.8 – Early practice net of practices which would become **reshaping engagements**

Conducting & contesting map

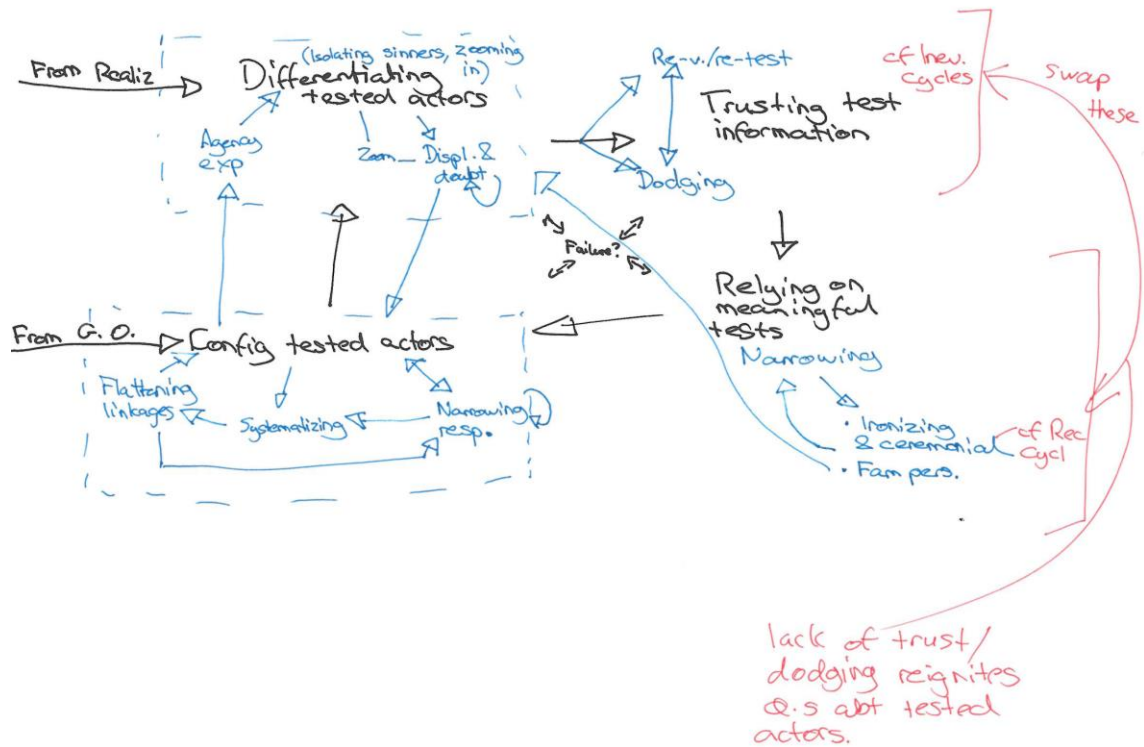


Figure A.9 – Practice net involved in constructing **conducting and contesting financial tests**

Compared to these, Figure A.10 represents a later model with a wider scope. It represents the five core practices and the top-level subpractices within them (though some of the practices were differently named at this stage of analysis). This figure was designed to help visualise the differences in practices between sites, so subpractices names and surrounding boxes have been colour-coded based on the sites in which they were prominent. This visualisation enabled me to see at a glance both the whole analytic structure as it stood across cases and the differences between cases. It was regularly referred to in creating my overall analysis and explaining inter-case variation.



Figure A.10 – Colour-coded comparison of practices prominent in different sites

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